

# 2019

## Annual Reports and Resolutions

160th Annual Session  
San Francisco, California  
September 6–9, 2019



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# Council on Advocacy for Access and Prevention

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Herman, Richard P., 2019, New York, chair  
 Stevenson, Richard A., 2020, Florida, vice chair  
 Bradberry, R. David, 2020, Georgia  
 Casamassimo, Paul S., 2020, Ohio  
 Gipe-Golden, Kristie M., 2022, Arkansas  
 Gupta, Shailee E., 2022, Texas  
 Hilton, Irene V., 2021, California  
 Humenik, Mark J., 2020, Illinois  
 Koday, Mark, 2019, Washington  
 LoMonaco, Carmine J., 2020, New Jersey  
 Meeske, Jessica A., 2021, Nebraska  
 Morrow, Carol M., 2021, Colorado  
 Neighbors, Bonita D., 2021, Michigan  
 Richardson, Michael, G. 2022, West Virginia  
 Risner-Bauman, Alicia, 2019, Pennsylvania  
 Vakil, Shamik S., 2022, North Carolina  
 Wasserman, Michael H., 2019, Massachusetts  
 Welles, Andrew D. 2019, Wisconsin\*

Grover, Jane S., director  
 Geiermann, Steven P., senior manager, Access, Community Oral Health Infrastructure and Capacity  
 Zokaie, Tooka, manager, Fluoridation and Preventive Health  
 Cantor, Kelly, manager, Community Based Programs  
 Clough, Sharon R., manager, Preventive Health Services

The Council's 2018–19 liaisons include: Dr. Kenneth McDougall (Board of Trustees, Tenth District); Mr. Craig McKenzie, American Student Dental Association; Dr. Craig S. Armstrong, chair, Council on Government Affairs; Dr. Philip Figil, vice chair, Council on Government Affairs; and Mr. Greg Mitro, Alliance of the American Dental Association.

## **Areas of Responsibility as Set Forth in the *Bylaws or Governance and Organizational Manual of the American Dental Association***

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As listed in Chapter VIII, Section K.1. of the ADA *Governance and Organizational Manual*, the areas of subject matter responsibility of the Council shall be:

- a. Oral Health Literacy
- b. Oral Disease Prevention and Intervention
- c. Access to Oral Healthcare
- d. Community Oral Health Advocacy

## **Advancing ADA Strategic Goals and Objectives: Agency Programs, Projects, Results and Success Measures**

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**Action for Dental Health:** In keeping with the Strategic Plan Objective 1, the public will recognize the ADA and its members as leaders and advocates in oral health, the Council has been primarily focused on the continued activities of the Action for Dental Health (ADH) campaign. All initiatives of ADH below

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\* *New Dentist member*

highlight member involvement coupled with local advocacy, which supports Goal 1 of increasing member value, Objective 3 of achieving an increase in the value from membership and Objective 6.1 of acting in the best interest of the member, rather than the organization, when designing processes, programs and services. The Action for Dental Health Bill was signed into law on December 11, 2018. The new vision statement, “Empowering All Members to Achieve Optimal Health for All” further supports the relevance of these activities.

**Objective 3.1:** Pursue programs that members value and are “Best in Class”

**Initiative/Program:** ADH Community Water Fluoridation

**Success Measure:** Technical Assistance for States / Publication–Sales of *Fluoridation Facts*

**Target:** 35 states

**Range:** 25–40 states

**Outcome:** 38 states

*Fluoridation Facts* was released in 2018 and sales approached 1,500 copies by Q1 2018 generating \$33,000 in revenue. This highly regarded reference guide is valued by members to assist with local water fluoridation challenges in their efforts to educate legislators and the public. 2019 Q1 sales saw sales of 800 copies generating revenue of \$16,000.

In addition to the continued sales strength of *Fluoridation Facts*, the Council worked closely with the Division of Communications in the continued Search Engine Optimization (SEO) on Google of positive stories of community water fluoridation for public education. This activity was enhanced with geo targeting in specific areas which faced a water fluoridation challenge. Examples of this were in Ohio, Florida and Missouri.

Fluoridation Report from Integrated Marketing and Communications: January 1–May 6, 2019 results

- 48,152 page views to ADA’s Fluoridation topic page on Mouthhealthy.org
- 1.29% average interaction (click) rate, industry benchmark 0.75%–1%
- 6,383,753 Impressions
- 31,421 page views on “A Mom’s Guide to Fluoride” in 2019

**Objective 1:** The public will recognize the ADA and its members as leaders and advocates in oral health and **Objective 1.2** Position ADA membership as a positive differentiating factor for patients.

**Initiative/Program:** Medicaid provider education addressing program integrity and protection from audits through proper documentation of medical necessity, thus reducing administrative burdens often associated with Medicaid participation.

**Success Measure:** Number of Medicaid program “boot camps” and the number of dentists and dental students being exposed to the material via the online CE course or live presentations

**Target:** Five boot camps per year

**Range:** Five to seven boot camps per year with over 1,100 dentists completing the online CE course

**Outcomes:** Six boot camps and 10 Medicaid “Lunch & Learn” events completed or confirmed with over 1,500 dentists and dental students participating in 2019. Over 4,800 dentists have taken this CE course (either online or live) since the 2014 offering began. Medicaid Provider Advisory Committee advocacy, coupled with American Academy of Pediatric Dentistry (AAPD) efforts, have increased awareness of Centers for Medicare and Medicaid Services (CMS) and several state dental Medicaid programs to relook at their auditing guidelines to the benefit of participating Medicaid dental providers.

**Objective 1:** The public will recognize the ADA and its members as leaders and advocates in oral health.

**Initiative/Program:** Emergency Department (ED) Referral Initiative

**Success Measure:** ED Referral programs now exist in all 50 states which places patients seeking treatment for dental issues into a dental home. Particular focus on technical assistance for new programs and collaboration with the American College of Emergency Physicians.

The 2019 progress for this initiative includes the inclusion of a Practice Management Manager from the American College of Emergency Physicians (ACEP) on the ED Referral Workgroup, presentation to the Council of the dental survey results of their Emergency Medicine Practice Research Network (EMPRN), identifying eight “priority cities” for ED Referral model development. Conversations with strategy development have taken place in four of the eight cities: Chattanooga, Tennessee; Hazard, Kentucky; Rockford, Illinois; and Pittsburgh, Pennsylvania.

**Objective 1:** Leaders and Advocates

**Initiative/Program:** Community Dental Health Coordinator (CDHC)

**Success Measure:** CDHC presence (a graduate, trainee or school) in at least 25 states

**Target:** 35 states

**Range:** 32–40 states

**Outcome:** 41 states now have CDHC presence, with additional research goal set to study the program impact in a variety of settings such as community programs, private practices and health center settings. There are currently over 300 graduates of the program with 18 schools offering or preparing to offer the program. AAPD and AGD have formally endorsed the program. Published articles about the CDHC program include the Access Journal of the American Dental Hygiene Association and the Journal of Dentistry and Oral Health.

#### **Access and Advocacy Highlights:**

- The Medicaid Provider Advisory Committee (MPAC) continues its mission of reducing the administrative burdens associated with participation in Medicaid, especially through its [online CDE course](#) and numerous “live” presentations to national, regional and state audiences, while educating providers to avoid audit angst through proper documentation of medical necessity, including presentations in Missouri, Chicago, Nebraska, Michigan and California.
- To engage dental students earlier and increase program awareness, MPAC has begun offering “lunch & learn” opportunities addressing successful Medicaid participation as a provider and embracing medical/dental collaboration to improve oral health across the lifespan at the community level. Presentations have been scheduled in 12 dental schools with 12 more pending. The importance of case management and patient navigation (CDHCs) is included in both of these student presentations, as well as in presentations at six state oral health coalition meetings.
- In collaboration with the American Association of Pediatric Dentistry, MPAC has published a [Medicaid Provider Reference Guide](#) in support of the ADH Health campaign. With over 1,300 hits since its opening in late November 2017, the guide provides information on various topics, including Early Prevention Screening Diagnosis and Treatment (EPSDT), adult dental Medicaid benefits, cultural competency, compliance, documenting medical necessity, and the benefits of utilizing silver diamine fluoride. The guide includes an advocacy toolkit for promoting various legislative and regulatory aspects of Medicaid practice in support of the new branding that *the ADA powers the profession of dentistry to advance the overall oral health of the public.*

- In collaboration with the Arizona and New Mexico state dental associations, the Council continues to support the incorporation of oral health into overall health activities on the Navajo reservation with the assistance of the Navajo Community Health Representatives (CHRs). The 100+ CHRs completed a second round of *Smiles for Life Oral Health Curriculum* training and have begun collecting oral health relevant data on each patient engagement. Negotiations are underway for approximately 12 additional CHRs to begin the new online CDHC non-credit certificate program at Central New Mexico Community College, in Albuquerque, New Mexico. This effort supports the ADA's stance of promoting community-based prevention as the catalyst for improving the oral health of underserved populations, including Native Americans.
- The Council, with assistance of its Access & Advocacy subcommittee, is developing a Center for Public Practice Readiness for dentists working within dental safety net settings, for students considering their options after graduation, and for dentists working in the private sector who are considering collaboration with a Federally Qualified Health Center (FQHC) or similar dental safety net setting. Initially, it will utilize existing materials that explain the rationale for developing dental safety net settings; how to get started; and how to address efficiency, effectiveness, productivity, and profitability (no margin, no mission), while maintaining patient safety and quality of care. Additional topics will address the importance of the social determinants of health, educating dental students about viable opportunities to practice in dental safety net settings, and encouraging public/private collaboration to address the oral health needs of the underserved.
- Coordinated eight continuing education sessions for ADA FDI World Dental Congress 2019, all of which address an aspect of the ADH campaign.

#### Prevention Highlights:

- Health Literacy in Dentistry webpage has been launched on [ADA.org](http://ADA.org) and provides hyperlinks to online resources to educate members about health literacy principles. Since January 2018 through April 2019, there were 3,215 visits and 4,466 views for the webpage. Activity increases when CE courses are offered such as at ADA FDI 2019 and when the Annual Health Literacy Contest for Dental Students is launched.
- Students from 35 dental schools participated in the 2018 Health Literacy contest sponsored by the National Advisory Committee on Health Literacy in Dentistry (NACHLD), which promotes increased use of health literacy principles. The winning essay is posted on ADA.org, and published in the state dental association journal of the winner.
- For National Children's Dental Health Month (NCDHM), approximately 92,000 posters were distributed upon request to dental societies, preschools, elementary and middle schools, military bases and other health agencies. Posters were distributed from November 6, 2018 to February 28, 2019. During that timeframe, there were 39,973 visits and 60,417 views making the page one of the 10 most popular web pages on ADA.org during the months of the Campaign. Comments from an evaluation survey demonstrated the popularity of NCDHM. Health agencies host annual NCDHM events such as puppet shows, coloring contests and "dress like a dentist" day. Posters are widely viewed with as many as 4,000 views per month in several health centers. Survey respondents commented that the posters' colorful graphics make it easy to encourage good oral health habits.
- The Council has collaborated with the Centers for Disease Control and Prevention (CDC) to promote their *Tips from Former Smokers* website and provide webinars on tobacco cessation strategies. These activities enhance the ability of members to improve patient health while providing the most current information from the CDC on this topic. As part of the collaboration, the Council and the CDC Office on Smoking and Health sponsored a webinar, *E-cigarettes – What are the Facts Behind All That Vapor?* on May 20, 2019, with over 700 registrants.

#### Emerging Issues and Trends

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The Council is aware of several trends, which include:

- Potential dental benefit within the Medicare program. The discussion continues with multiple national agencies as well as the ADA Workgroup on Elder Care.



- Expansion of state Medicaid programs participation, which draw upon the technical assistance of Council members and the Council's Medicaid Provider Advisory Committee for participation guidance and education on avoidance of unintentional noncompliance.
- Opportunity for dentists to promote prevention of oropharyngeal cancer by appropriate education and referral of patients for HPV vaccinations from their primary care provider. The Council continues to collaborate in a workgroup with the Council on Scientific Affairs (CSA) and the Council on Dental Practice (CDP) addressing this issue.
- Growing scale of school-based oral health programs and the opportunity to work with the National School-Based Health Alliance to incorporate tobacco cessation strategies within a prevention framework.
- Increasing opportunity to work with Society of American Indian Dentists (SAID) regarding tribal oral health issues including the Navajo Nation CDHC cohorts and renewed interest from the Chickasaw Nation in Oklahoma.
- Dental Quality Alliance involvement with the Council as the relevance of quality indicators expands for dental treatment protocols within practice and community level programs.
- A request for CDHC program information was made by Dr. Timothy Ricks, Chief Dental Officer of the U.S. Public Health Service Commissioned Corps, for inclusion in the upcoming Surgeon General's 2020 Report on Oral Health.

## Responses to House of Delegates Resolutions

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### Resolution Objective: 55H-2018. Developing a Culture of Safety in Dentistry

**55H-2018. Resolved**, that the American Dental Association commit to establishment of a "Culture of Safety" in all aspects of dental practice, and be it further

**Resolved**, that the appropriate ADA agency or agencies be tasked with a comprehensive review of patient and provider safety in dentistry, and be it further

**Resolved**, that a report be submitted to the 2019 ADA House of Delegates detailing the incidence and severity of patient and provider safety issues in dentistry, and recommendations for development of a plan to address the identified issues of concern.

**Outcome:** In addressing this resolution, the Council has convened a small expert workgroup to draft an initial framework for a three to five-year action plan promoting an increased understanding and mindfulness of the importance of safety in dentistry as a win/win for all interested parties. A report and subsequent resolution will be presented in a report after the July 2019 Council meeting.

### Resolution Objective: 69H-2018. State Medicaid Dental Peer Review Committee

**69H-2018. Resolved**, that the American Dental Association encourages all state dental associations to work with their respective state Medicaid agency to create a dental peer review committee, made up of licensed current Medicaid providers who provide expert consultation on issues brought to them by the state Medicaid agency and/or third party payers.

**Outcome:** The Council, primarily through the actions of its Medicaid Provider Advisory Committee, continues to work with state dental associations to partner with respective state Medicaid agencies to reduce the administrative burdens associated with Medicaid participation by creating dental peer review committees. States, such as Tennessee, have demonstrated that having provider issues and challenges reviewed anonymously by current Medicaid provider peers, who can offer objective recommendations for action to state Medicaid programs and third party payers, has increased satisfaction of participation among dental providers in the network.

The Council cites its [Medicaid Provider Reference Guide and Advocacy Toolkit](#) as a significant step in raising the awareness of both providers and state dental associations about participating in Medicaid.

**Resolution Objective:** 74H-2018 Continuing Education to Identify Abused and Neglected Patients

**74H-2018. Resolved,** that the appropriate ADA agency be encouraged to draft model regulations for the use by each state regulatory board for the purpose of including continuing education for the identification and reporting of abuse of children, people with disabilities, intimate partners and elders in continuing education courses for ethics, and be it further

**Resolved,** that each state be encouraged to pursue such regulations, and be it further

**Resolved,** that the ADA provide courses about identification and reporting of abuse to ADA member dentists as a free member benefit.

**Outcome:** To fulfill the purpose of this resolution, in collaboration with the Council, the Department of State Government Affairs will work to identify and develop relevant principles for review and adoption by state dental boards. These principles shall be distributed to the state dental associations and societies in July 2019 in order to: (1) encourage them to review the current abuse and neglect continuing education requirements that exist for other healthcare professions in their states; and (2) to further encourage them to communicate with their elected officials and dental boards about the importance of dentists receiving similar education. Additionally, the Council hosted two webinars in April in observation of National Child Abuse Prevention month:

- *Recognizing and Reporting Child Maltreatment: Child Abuse, Neglect, and Sex Trafficking of Minors*, April 10
  - Presenter: Debra Schilling Wolfe, M.Ed., Executive Director of the Field Center for Children's Policy, Practice & Research at the University of Pennsylvania  
<https://ebusiness.ada.org/Education/viewcourse.aspx?id=340>
- *Diagnostic Signs of Human Abuse*, April 24
  - Presenter: Lawrence Dobrin, D.M.D., DABFO, Chief Forensic Dentist for the five boroughs of New York City, Office of Chief Medical Examiner  
<https://ebusiness.ada.org/Education/viewcourse.aspx?id=341>

**Self-Assessment**

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The Council is next scheduled to conduct a self-assessment in 2020 since the Visioning Session priorities established in January 2016 were affirmed by the Council in January 2019.

**Policy Review**

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In accordance with House Resolution 170H-2012, Regular Comprehensive Policy Review, which calls for the review of Association policies every five years, several policies are under review and will be presented in a separate report, after approval by the Council at its July 2019 meeting.

**Council minutes**

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For more information on recent activities, see the Council's [minutes](#) on ADA.org.

# Council on Communications

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Meinecke, Gigi, 2019, Maryland, chair  
 Poteet, Sarah Tevis, 2020, Texas, vice chair  
 Carney, Kerry K., 2020, California  
 De La Rosa, Rebecca J., 2022, Indiana  
 Feldman, Steven, 2019, Washington, D.C., *ad interim*\*  
 Frankman, Michael J., 2022, South Dakota  
 Guthrie, Frederick V., 2021, Tennessee  
 Hall, Jeannette Peña, 2020, Florida  
 Iuorno, Frank P., 2020, Virginia  
 Karp, William H., 2019, New York  
 Kenyon, David J., 2019, Wisconsin  
 Lawson, Amber P., 2022, Georgia  
 Mansour, Sam, 2021, Pennsylvania  
 Manzanares, David J., 2020, New Mexico  
 Pitmon, Stephen M., 2021, Vermont  
 Schefke, Philip L., 2019, Illinois  
 Taylor, Barry J., 2022, Oregon  
 Weaver, Stephanie B., 2021, Louisiana

MacLachlan, Janine, director

The Council's 2018–19 liaisons include Dr. Jay F. Harrington, Jr. (Board of Trustees, Fifth District) and Ms. Stephanie Zbin (American Student Dental Association).

## **Areas of Responsibility as Set Forth in the *Bylaws or Governance and Organizational Manual of the American Dental Association***

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As listed in Chapter VIII, Section K.2. of the *ADA Governance and Organizational Manual*, the subject matter responsibility for the Council shall be:

- a. Advise on the management of the Association's reputation;
- b. Develop, recommend and maintain ADA strategic communications plans;
- c. Advise ADA agencies on branding;
- d. Advise on prioritization and allocation of communications resources; and
- e. Advise on communications and marketing for state and local dental societies, upon request.

## **Advancing ADA Strategic Goals and Objectives: Agency Programs, Projects, Results and Success Measures**

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The Division of Integrated Marketing and Communications (IMC) reports on the Utilization Campaign in the quarterly management report. Through ongoing refinement of the ADA® Find-a-Dentist™ campaign tactics, results continue to exponentially exceed goals. Further details are included later in this report.

Fueled by ongoing research, the ADA's member value recruitment and retention campaigns for 2019 are about showing up consistently where potential members are and driving a compelling reason to join. In 2018, the ADA moved away from historical one-off emails to multi-channel, loyalty-based attraction marketing, resulting in greater numbers of new members. In 2019, the ADA continues to stay focused on these three strategic content areas—clinical excellence, third-party payer and career/debt—and is seeing continued high levels of engagement.

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\* *New Dentist member*

A new 2019 “The Journey” campaign further evolved based on potential member input including messaging that pairs quantifiable bottom-line benefits with emotional reasons to join. Results to date are positive. First quarter metrics include:

- Rise in overall ADA member market share year over year—53.1% compared to 51.9% in 2018.
- Key marketing engagement indicators are up:
  - 18% increase in clicks to join via the tripartite enrollment web page over previous quarter.
  - Set a new record for landing page sessions with 11,111 landing page sessions in Q1.

These marketing activations along with increased collaboration with Membership Operations, the Member Service Center and Clients Services are credited with accelerating the ADA recruitment and retention efforts:

- Paid media continues to be a large driver for traffic to recruitment landing page and general awareness of the ADA. Two new tactics were tested in Q1:
  - Digital ad retargeting drove 58% of traffic to recruitment landing page (highest traffic driver in January), performing above digital benchmarks. Due to the success of this tactic for recruitment, it will continue in Q2.
  - Digital geo-fencing ads (display ads targeted to specific locations) for both Postdoc programs and Chicago Midwinter meeting, resulted in high traffic to recruitment campaign landing page (and awareness of ADA) but low clicks to the membership application. IMC recommends utilizing geofencing to bring awareness of ADA and resources vs. recruitment efforts.
- Membership communication pieces retooled to align with member value campaign are performing and driving enrollment. For example, an email to lapsed nonmembers in 2018 resulted in 216 reinstated members or a 4.1% conversion rate, which was an 11.9% increase over 2018 performance.

The Digital Member Experience team launched the first changes to the ADA.org homepage, along with new “Student” and “Get Involved” pages. These changes are the first releases that begin to simplify the site experience, driving users to the highest impact and most visited areas of ADA.org. Work continues in developing new, simple journeys based on user actions and delivery of improved site search and navigation.

The IMC team led marketing efforts for new HPI Consulting Services and its 2019 Dental Industry Report, generating sales and leads that far exceeded goals by expanding beyond the ADA’s traditional channels to Twitter and LinkedIn ad buys. Results include 22 reports sold and seven consulting engagements, representing \$86,890 in non-dues revenue during the first quarter of 2019.

ADA Practice Transitions launched April 1, with IMC supporting development of the marketing and curriculum portions of the site experience, graphics design, marketing campaigns for pilot states, and email nurturing campaigns to support all dentists in the platform.

## **Emerging Issues and Trends**

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The Council identified the opportunity to represent the ADA in dentist-only channels that include closed Facebook groups. These channels prohibit ADA staff from monitoring and participating in these channels, leaving a gap in representation that sometimes leads to misinformation and misconceptions. This vacuum presents a reputational risk to the Association.

The Council conducted a test initiative with volunteer members of the Council engaging in top Facebook groups. These volunteers are not spokespersons for the ADA, but are engaged members interested in championing the ADA.

The group monitored content for issues that should be addressed by the ADA, as well as opportunities to provide information to clarify misconceptions. In addition, volunteers shared information about the ADA’s new policy recommending that dentists recommend the HPV vaccine to patients and parents. They were

transparent about their membership in the ADA and their role as volunteer leaders. The approach is that they are active members of these groups and will participate as such, tapping staff for guidance on contentious issues.

Since the initial pilot, additional volunteers have been added to the volunteer group. An evolved strategy includes working with individuals who have large followings on digital channels, as well as working with podcasts to further increase visibility for ADA initiatives that serve members and the profession.

## Responses to House of Delegates Resolutions

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### Resolution Objective: 67H-2016 Drive Utilization of Dental Services for ADA Members

**67H-2016. Resolved**, that the initiative “Drive Utilization of Dental Services for ADA Members” be approved, and be it further

**Resolved**, that the Council on Communications submit annual status updates to the House of Delegates for the duration of the campaign, and be it further

**Resolved**, that the House of Delegates urges funding for this program shall come from the reserves for the first year, and be it further

**Resolved**, that funding for the second and third years shall be at the discretion of the Board of Trustees, and be it further

**Resolved**, that the Council on Communications shall provide evidence of the value of this media campaign to the 2017 HOD.

*Goal: The ADA will increase member value and engagement. Objective 1: ADA and its members recognized as leaders in oral health by the public.*

**Background:** Resolution 67H-2016 (*Trans.*2016:278) calls for a three-year campaign to increase dental visits for ADA dentists. The resolution was presented to the House of Delegates after Second Trustee District Resolution 90 (*Trans.*2015:285) (*Supplement* 2015:5154), Improving the Brand of the ADA Member, did not pass in 2015 and was referred to the Council.

**Objective:** Increase patient referrals to ADA members.

**Overall results to date:** The utilization campaign met or exceeded all goals at every phase of the campaign. Highlights include:

- Key campaign metrics: visits to the Find-a-Dentist tool, completed searches and profile views surpassed projections, and improved on performance year over year. One reason for the year-over-year increase is that the team optimized search terms to dial up high-performing words, and increased paid search and display advertising during high-dentist-search seasons.
  - Since the campaign launched in April 2017, and as of April 2019, the campaign generated 5.9 million visits to the Find-a-Dentist tool, 1.5 million completed searches and 2.7 million profile views. The reason the profile view number is higher than completed searches is that many site visitors view more than one profile.
  - Note that the campaign was never designed to measure appointments scheduled, but rather give members the opportunity to connect with patients.
- More than 19% of profile views resulted in an action to contact a member dentist, including clicks to the member’s website, email or click to call the practice phone. This far surpasses the industry standard of 1–4%.
- Many members have enjoyed the unintended benefit of increased traffic to their site from being linked to the high-traffic Find-a-Dentist site. This boost is because Google supports unpaid search (also called organic search) that is associated with sites that use paid search. Therefore, members have received a boost in traffic by being associated with ADA’s high-performing Find-a-Dentist website.

- The initiative included an outbound calling campaign, resulting in updated member data from more than 70,000 members, which provides enterprise-wide benefits at a national, state and local level, and also helps the ADA communicate more effectively with members.

**Success Measure:** Below is a summary of 2018 metrics.

**Table 1. Summary of 2018 Metrics**

<b>Projected Year End Goal 2018</b>	<b>Actual Year End 2018</b>	<b>Success Measure 2018</b>	<b>Total since FAD site launch April 2017</b>
2,000,000 total clicks to Find-a-Dentist	3,020,319	151% of 2018 goal	5.9 million
850,000 profile views	1,177,319	139% of 2018 goal	1.5 million
500,000 completed searches through Find-a-Dentist	774,458	155% of 2018 goal	2.7 million
<b>Participating Members</b>			
65,000 member photo profiles	69,915	108% of 2018 goal	78,240 profiles

Metrics have also shown that 19% of potential patients viewing dentist profiles have taken further action by clicking through to the website, or by calling or emailing the dental office. This interaction far exceeds the industry standard of 1–4%. More detailed information is available in Appendix 1, including the 2019 year-to-date goals and metrics.

**Additional Promotion of Find-a-Dentist:** In October 2018, a pilot program using consumer digital influencers—people with large social media followings on Facebook, Instagram and YouTube—was tested. The ADA worked with its ad agency and parenting and lifestyle influencers to encourage end-of-year dental visits/benefit utilization and information about the Find-a-Dentist tool. This influencer test exceeded all benchmarks, garnering 6.2 million impressions and a 21% engagement rate (industry average is 1–4%). Engagement includes likes, taps, or comments.

In November 2018, audio ads promoting Find-a-Dentist ran across eight podcasts that appeal to target personas, including Oprah’s Super Soul Conversation, Freakonomics Radio, Science Magazine and Clear + Vivid with Alan Alda. This effort promoted the importance of dental visits and using Find-a-Dentist to 2 million listeners.

Also in Q4 2018, ADA staff messaged consumers in the target audience who clicked on a special Find-a-Dentist Facebook ad, acting as a concierge to connect that person directly to the Find-a-Dentist tool. The final results of this test are currently being evaluated.

**State and Local Matching Funds:** The following dental societies applied for matching grants to either amplify national advertising or help populate member profiles in the Find-a-Dentist tool.

- State societies: New York, Virginia, Oklahoma, Wisconsin, Georgia, South Carolina and Michigan.
- Local societies: Dallas County, Fort Worth District, Queens County, San Antonio, Nassau County (NY), Ninth District Pennsylvania and Fifth District New York.

The four matching efforts to amplify the national campaign at the state and local level drove an additional 27,900 clicks. Paid search was most effective when it came to results and spend.

More than 2,500 profiles were updated through joint efforts with the state and local societies who chose to help populate the Find-a-Dentist tool. The key takeaway is that those who enlisted outbound calling drove the majority of these updates. A full state-by-state breakdown of profile population is available in Appendix 2.

**Goals for 2019:** Paid search drove the majority of 2018 traffic, with an increase from back to school display advertising. These learnings from 2018 will be put into practice for 2019.

Paid search began on January 1, 2019, and will run the entire year. There will also be two times of year where display and social ads run for consumers. The first will be from February through April to promote “spring cleanings”. The second will run from mid-June through August to build on the success of the 2018 back to school display ads. A video ad test will also run in March to reach consumers on Hulu, Facebook and YouTube.

Goals for 2019 are as follows:

**Table 2. 2019 Goals**

Clicks to Find-a-Dentist	2,500,000
Completed searches through Find-a-Dentist	700,000
Profile views	1,000,000
Member photo profile updates	86,000

**2019 Spending:** To meet 2019 objectives, a larger portion of this year’s budget will be allocated to driving consumers to Find-a-Dentist tool. Projected spending for 2019 includes:

**Table 3. 2019 Projected Spending**

Initiative	Amount
Advertising, Search, Creative Development and Fees	\$5,300,000
Populate Tool (Outbound Calling)	\$225,000
State/Local Matching Program	\$175,000
Administrative Expenses	\$135,000
Awareness Streaming Ads	\$100,000
State/Local Support	\$50,000
Site Improvements	\$15,000

Refinements may be made based on performance throughout the year.

**Conclusion and Next Steps:** Over the course of the three-year pilot, the Find-a-Dentist website has enjoyed consistent growth in consumer use, driven by the \$6 million annual budget and a refreshed search tool that is built to meet the standards of search engines today. Due to the substantial investment in search ads, we’ve realized a three-fold benefit: optimized paid search traffic to maximize traffic to ADA member profiles at the lowest cost, improved Google ranking of all ADA.org content due to the popularity

of Find-a-Dentist, and consistent increases in organic/unpaid traffic to Find-a-Dentist over the course of the three-year program.

An ongoing investment in search ads is required to secure strong organic/unpaid traffic to Find-a-Dentist, because continuous investment in search ads improves organic/unpaid search rankings, and gives the ADA greater potential for success via increased site traffic and profile views. This has been validated by the high relevancy of the site for target audiences and the high percentage of completed searches on the site. Following a thorough analysis, the Council recommends a minimum annual budget of \$1 million for this specific purpose.

The Council believes that the pilot campaign has delivered valuable learnings and efficiencies through a series of tests over the last few years. Therefore it recommends the program continue at a lower funding amount focused exclusively on paid search. Earlier budgets included an outbound calling campaign to populate profiles, state and local matching funds, digital display advertising and other elements, which will not continue given the new funding recommendation.

**Council Resolution:** At its March 2019 meeting, the Council adopted a resolution supporting funding at \$1 million annually.

### **Self-Assessment**

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As is mandated by Resolution 41H-2018, the Council has undertaken a self-assessment to be included in this annual report. To establish a baseline for its self-assessment, the Council reviewed its bylaws to assess its work. Bylaws are listed at the beginning of this report.

### **Threshold Issues**

Pursuant to its role as advisor to the Board on reputation management, the Council's goals are driven by issues facing the Association. For example, the Council works in collaboration with the Council on Membership to reverse the perception by specialty groups that the ADA is not concerned about the needs of specialists.

In addition, the Council is responsible for identifying and vetting appropriate spokespersons to represent the ADA and to equip them to be responsive to emerging issues. Examples of current (and future) issues that are likely targets of the media include DIY dentistry, midlevel providers and the overall reputation of dentistry.

With respect to branding of the ADA, the Council works to incorporate the ADA master brand in all messaging channels to both the public and the profession. With the new ADA strategic plan, "Common Ground 2025," the Council anticipates playing an active role in shaping Objective 9, to help "the ADA be the preeminent driver of trusted oral health information for the public and profession." To this aim, the Council expects to utilize the data obtained and lessons learned in the development of actions required from Resolution 67H-2016, a three-year initiative to increase utilization of dental services for ADA members (*Trans.*2016:278).

### **Structure**

The Council is strengthened by its current geographic representation by trustee district. Along with liaisons from the New Dentist Committee (NDC) and the American Student Dental Association (ASDA), it allows for diverse perspectives and is crucial when advising staff in the creation of messages that are to be recognized by dentists as reflecting input from dentists from the communities they represent. It also allows for more effective and timely identification of emerging issues that might require an Association-wide response. Council members bring a depth of knowledge of local and state activity that provides value to the ADA as well as the purpose of the Council. Trustees should be encouraged to appoint members with experience working on state or local communications committees or have social media and marketing knowledge. Restructuring the Council into a solely skills-based collective would diminish the Council's effectiveness at representing and reaching the "rank and file member" and is not viewed as necessary since the Council works very closely with professional staff.



To fulfill its responsibilities in the most efficient manner possible, the Council creates workgroups, appointed by the chair, to enable it to be responsive and adaptable to concerns and priorities that impact the ADA. These workgroups meet frequently by phone throughout the year. This, along with efficient agenda planning, allows the twice-yearly meetings in Chicago to be more productive, allowing richer debate on the critical issues facing the ADA and the opportunity to bring freshman members of the Council up to speed.

### **Efficiencies**

The Council meets semi-annually and utilizes a consent calendar to minimize the time spent on reviewing reports. This allows the meeting time to be largely spent on strategic planning and development of ideas. Staff contributions allow the volunteer's time to be effectively spent and the information that the staff provides allows for well-informed decision making.

### **Areas of Responsibility**

The Council believes that its purpose is a unique and valuable one in the ADA. Since the establishment of the Council, the communications and information technology landscape has changed dramatically, and continues to evolve. The Council must also evolve and embrace the fluid nature of communications today, as well as examine its responsibilities given the changing landscape.

### **Agenda Review**

This was discussed in the Structure and Efficiencies Sections.

### **Big Issues and Strategic Discussions**

The Council devotes the majority of its time discussing the overarching issues and priorities consistent with the ADA strategic plan. In the current digital environment and future landscape, driven by communications and marketing, it is crucial that the ADA has a Council dedicated to internal and external messaging as well as establishing its brand and reputation management.

### **Policy Review**

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In accordance with Resolution 170H-2012, Regular Comprehensive Policy Review, the Council conducted its policy review in 2018 and is due for another in 2023.

### **Council Minutes**

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For more information on recent activities, see the Council's [minutes](#) on ADA.org.

## Appendix 1: Results Summary of Campaign to Increase Utilization of Dental Services for ADA Members



# Utilization Campaign

Results to Date  
Apr 2017 – April 2019



## The Numbers & What They Mean

**5.9MM** Visits



If a potential patient clicks on the ad, and it takes them to the Find-a-Dentist tool, that's called a Click Through\* to the page. It counts as a "visit."

\*A click through rate is determined by the number of people who see the ad compared to the number who click through to the site.

**1.5MM** Complete Searches



After they click to Find-a-Dentist, if they put in an address or zipcode and click "Search" that is considered a complete search.

**2.7MM** Profile Views



Once they've done a search, if they click on a dentist in the search results, and go to a profile, that is a Profile View.

\*This number is often larger than searches because a person may go back and look at a different dentist in the same search.

## ADA's Utilization Campaign | April 2019

### Traffic Progress

YTD April 2019

**1,275,787**

Visits to a Find-a-Dentist  
37% to 2.5 million goal

**624,432**

member profile views  
62% to 1 million goal

**288,230**

completed searches  
41% to 700,000 goal

Ads that began running Feb 25<sup>th</sup> helped to increase traffic to the FAD website in March and April by more than January and February numbers combined.

### Profile Updates

### Profiles with Photos

2019 Actual	2019 Goal	% to Goal
76,494	86,000	88%



### Patient Engagement

How many patients have reached out?

**19%**

Of patient, who viewed a profile, took action to contact a dentist in April\*  
(To date, the campaign has seen an overall engagement rate of 15%)

Website Clicks: 8,646  
Email Clicks: 715  
Phone Clicks: 2,644  
Shares: 0



\*Industry Average 1-4%

### What's New

### Q2 Creative

Display, social and video ads ran through April 30<sup>th</sup> with great success. The paid media strategy to drive Rachels and Dereks to the FAD tool has driven over 40 million impressions and 220,000+ clicks (through March 2019). These ads will be paused for May, but will be restarted again in mid-June.

**Appendix 2: Members Participating in Find-a-Dentist Tool by State**

<b>STATE</b>	<b>FAD ELIGIBLE</b>	<b>w/Photos</b>	<b>% of Total</b>
DE	319	278	87.1%
SD*	376	329	87.5%
VA*	2847	2452	86.1%
MT	467	396	84.8%
WY	237	199	84.0%
ND*	316	262	82.9%
ID	655	528	80.6%
NH*	588	468	79.6%
NE*	780	613	78.6%
WI	2219	1739	78.4%
MN	2175	1713	78.8%
NM*	507	394	77.7%
KS*	906	715	78.9%
OK	1212	906	74.8%
IA*	1252	854	68.2%
GA*	2900	2182	75.2%
AR	871	655	75.2%
OR*	1601	1184	74.0%
IN	2311	1729	74.8%
CO	2556	1891	74.0%
MD	1883	1366	72.5%
LA	1459	1063	72.9%
MO	1858	1349	72.6%
RI*	393	280	71.2%
CT	1593	1136	71.3%
SC*	1698	1211	71.3%
UT*	1214	858	70.7%
ME*	507	361	71.2%
VT	292	210	71.9%
MS*	785	559	71.2%
IL*	5272	3793	71.9%
OH	3797	2696	71.0%
AZ*	1971	1428	72.5%
TN*	1955	1373	70.2%
WA*	3358	2336	69.6%
NV*	834	576	69.1%
AL	1191	840	70.5%
KY	1117	754	67.5%
AK*	300	211	70.3%
FL*	5916	4170	70.5%
MI	4297	2861	66.6%
NC*	3146	2088	66.4%
DC	316	208	65.8%
TX	7577	4832	63.8%
WV*	512	324	63.3%
PA	3676	2257	61.4%
NJ*	3373	2022	59.9%
NY*	8236	4935	59.9%
MA	3866	2200	56.9%
HI*	818	461	56.4%
CA	19281	9955	51.6%
PR	196	40	20.4%
<b>Totals</b>	<b>117,782</b>	<b>76,494</b>	<b>64.9%</b>

# Commission for Continuing Education Provider Recognition

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Rosenthal, Nancy R., 2019, Pennsylvania, chair  
 Reed, Susan G., 2020, South Carolina, vice chair  
 Ball, John D., 2022, Missouri  
 Bennett, Jeffrey D., 2019, Indiana  
 Burgess, Karen, 2022, Michigan  
 Cipes, Monica H., 2021, Connecticut  
 Cuevas-Nunez, Maria, 2021, Illinois  
 DeWood, Gary M., 2021, Arizona  
 Hammond, Barry, 2019, Georgia  
 Keiser, Karl, 2021, Texas  
 Kim, David M., 2022, Massachusetts  
 Lipp, Mitchell J., 2019, New York  
 Parker, Steven E., 2021, Ohio  
 Randall, Marcus K., 2020, Tennessee\*  
 Sadrameli, Mitra, 2022, Illinois  
 Verma, Arpana S., 2019, Maryland

Borysewicz, Mary A., director

The Commission's 2018–19 liaison is Dr. Susan Becker Doroshow (Board of Trustees, Eighth District).

## **Areas of Responsibility as Set Forth in the *Bylaws or Governance and Organizational Manual of the American Dental Association***

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As stated in Chapter IX, Section 30.C. of the ADA *Bylaws*, the duties of the Commission shall be to:

- a. Formulate and adopt requirements, guidelines and procedures for the recognition of continuing dental education providers.
- b. Approve providers of continuing dental education programs and activities.
- c. Provide a means for continuing dental education providers to appeal adverse recognition decisions.
- d. Submit an annual report to the House of Delegates of this Association and interim reports, on request, and the Commission's annual budget to the Board of Trustees of the Association.
- e. Submit the Commission's rules and amendments thereto to this Association's House of Delegates for approval by majority vote either through or in cooperation with the Council on Dental Education and Licensure.

## **Advancing ADA Strategic Goals and Objectives: Agency Programs, Projects, Results and Success Measures**

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The Commission is an ADA agency with independent authority to administer the ADA Continuing Education Recognition Program (CERP). For 2018–2019, the Commission goals and objectives are as follows:

**Objective:** The Commission will establish and promote standards for effective continuing dental education that supports quality dental care.

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\* Replaced Hughes, Bertram J., 2020, Florida

**Initiative/Program:** ADA CERP

**Success Measure:** Complete a comprehensive review and revision of ADA CERP Recognition Standards, with an emphasis on educational outcomes by December 2019.

**Target:** Draft revisions of six standards reviewed by Commission in October 2019.

**Range:** Draft revisions of six standards completed by December 2019.

**Outcome:** After drafting three of six revised CERP Standards in 2017–2018, the Commission deferred further Standard revisions pending consideration of revisions to the CERP Eligibility Criteria. The Commission obtained input on the proposed revisions from the communities of interest and approved revisions to the Eligibility Criteria in April 2019. The Commission will resume the process of reviewing and revising the remaining CERP Standards. The communities of interest will be invited to submit comments on the proposed revised Standards. All comments will be provided to the Commission for review, and further revisions considered as needed.

**Objective:** Streamline management of CERP application, review, billing and reporting processes through technology upgrades.

**Initiative/Program:** ADA CERP

**Success Measure:** Enhance CERP application and recognition processes through improved database and reporting functions.

**Target:** Migrate CERP provider database to Aptify and begin user testing of online application modules by December 31, 2019.

**Outcome:** With funding for this project approved in the 2019 budget, staff have been developing the technical requirements for the online application and review platform. At the time this report was written, it was projected that application modules would be ready for preliminary user testing by year end.

**Objective:** The Commission will have sufficient organizational capacity to meet program administration needs.

**Initiative/Program:** ADA CERP

**Success Measure:** Conduct a self-assessment of organizational structure and operations to ensure that the Commission has adequate staff and volunteer support to effectively fulfill its *Bylaws* duties and to provide the highest level of service to program participants.

**Outcome:** The Commission completed its self-assessment process (described below). As a result of its review, the Commission has noted that the current number of volunteers and staff (two full-time employees) that support CERP operations may not optimally support an expanding program. The Commission will consider options for expanding capacity.

## **Emerging Issues and Trends**

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The Commission oversees ADA CERP, designed to recognize providers that meet standards for continuing dental education, promote continuous quality improvement in CE, and help dental professionals meet CE requirements for relicensure. At the time this report was prepared in May 2019, there were 468 ADA CERP recognized providers, including twenty-four based outside the United States and Canada. Another 102 providers were approved by state dental societies and national specialty societies through the CERP Extended Approval Process (EAP).

CERP recognized providers reported that they offered a combined total of over 37,884 unique CE activities in 2017, the most recent year for which data is available, including more than 228,567 hours of continuing education.

*Review and Revision of CERP Standards.* The [ADA CERP Recognition Standards](#) form the basis for the Commission's evaluation and approval of continuing dental education providers. The Commission's ongoing, comprehensive revision of the Standards is focusing on criteria essential to effective continuing education that supports dental practitioners' continuing professional development and continuous quality improvement. These include an emphasis on assessing learning outcomes, evidence-based dentistry, and independence from commercial influence.

In 2019, the Commission approved revisions to the CERP Eligibility Criteria. Effective July 1, 2023, commercial interests will no longer be eligible for CERP recognition, or to serve as joint providers of CE activities. ADA CERP defines a commercial interest as:

Commercial Interest: (1) An individual or entity that produces, markets, resells or distributes health care goods or services consumed by, or used on, patients, or (2) an individual or entity that is owned or controlled by an individual or entity that produces, markets, resells, or distributes health care goods or services consumed by, or used on, patients. Providing clinical services directly to or for patients (e.g., a dental practice, dental lab, or diagnostic lab) does not, by itself, make an individual or entity a commercial interest.

Recognized CE providers will continue to be able to accept financial and in-kind support from commercial interests, in accordance with measures for managing commercial conflicts of interests outlined in CERP Standard V.

The Commission's action was the result of a deliberative process conducted over several years, with input from the communities of interest. The changes are intended to reduce the opportunity for commercial bias to impact continuing dental education, align CERP continuing dental education standards with those of other healthcare professions, and with U.S. Food and Drug Administration guidance regarding separation of marketing and education activities, and support the public's trust in the profession.

*Interprofessional Continuing Professional Education.* As the delivery of health care moves towards a collaborative, team-based model, continuing education designed for interprofessional teams will be increasingly important. And as oral healthcare becomes more integrated with healthcare in general, it will also be important to help dentists obtain continuing education in an interprofessional setting. The Commission is therefore continuing discussions with accrediting agencies in other healthcare professions regarding opportunities to support interprofessional continuing education and for potential opportunities for alignment.

## **Responses to House of Delegates Resolutions**

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There were no House of Delegates resolutions directed to the Commission in 2018.

## **Self-Assessment**

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In accordance with Resolutions 41H-2018 and B-99-2018, the Commission engaged in a multi-faceted self-assessment in 2018–2019. As a result of this process, the Commission affirmed that its structure and composition support its ability to administer the ADA CERP. This is in accordance with best practices for developing and implementing accreditation standards that promote and monitor continuous quality improvements of continuing education in the health professions.

The Commission concluded that it effectively fulfills its *Bylaws* duties through ongoing administration of the ADA CERP, established procedures for conducting appeals of adverse recognition actions, and timely submission of reports and budgets to the ADA House of Delegates. The Commission's mission to serve "the public, the dental profession, and other healthcare providers by developing and implementing standards that promote excellence in continuing dental education to support professional competence



and continuous improvement of patient care” aligns with and supports the ADA’s vision of “empowering dental professionals to achieve optimal oral health for all.”

The Commission also concluded that its configuration as a semi-autonomous commission within the ADA governance structure gives the agency the authority to independently set standards for continuing dental education and approve providers with minimal conflicts of interest, supporting the trust the public places in the profession to regulate itself. The Commission members are chosen by a broad representation of stakeholder groups, which helps ensure balanced, peer review processes. The Commission supports further discussion of modifications to ADA *Bylaws* and other governance documents to align the Commission’s governance with that of the other ADA commissions, such as the addition of a public member to the Commission.

The Commission has adopted a strategic plan, establishing goals for enhancing program operations, and to help ensure that the program continues to implement consistent, valid practices that are aligned with best practices in continuing education in other health professions.

Participation in ADA CERP has increased by 7% in the last five years with a total of 468 approved providers at the time of this report. Revenues from CERP provider fees have increased as a result of higher participation levels and a restructuring of provider fees. A 2019 survey of a representative sample of ADA members indicated that CERP is perceived as a valuable ADA program (77% of respondents agreed that it is moderately or very valuable). However, a smaller percentage of respondents indicated that they sometimes, usually or always search for CE offered by CERP recognized provider. A strategic goal of the Commission’s is to increase awareness of the program.

However, with an increase in the number of program participants and applications submitted, the Commission’s capacity to develop new initiatives and maintain timely and efficient operations is being challenged. The Commission will explore options for reducing the workload on individual Commissioners, and evaluate its human resource needs.

## **Policy Review**

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There are currently no ADA policies related to the Commission or CERP that the Commission has been charged with reviewing in accord with Resolution 170H-2012, Regular Comprehensive Policy Review.

## **Commission Minutes**

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For more information on recent activities, see the Commission’s [minutes](#) on ADA.org.



# Council on Dental Benefit Programs

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Bulnes, Christopher M., 2019, Florida, chair  
 Kessler, Brett H., 2019, Colorado, vice chair  
 a'Becket, Thomas R., 2020, Maryland  
 Calitri, Paul F., 2020, Rhode Island  
 Chung, Kenneth L., 2020, Oregon  
 Dens, Kevin W., 2022, Minnesota  
 Dougherty, William V., 2022, Virginia  
 Hollingsworth, James W., 2020, Mississippi  
 Makowski, Martin J., 2019, Michigan  
 Maldonado, Yvonne E., 2021, Texas  
 Markarian, Randall C., 2021, Illinois  
 Mihalo, Mark J., 2019, Indiana  
 Olenwine, Cynthia H., 2020, Pennsylvania  
 Porcelli, Eugene G., 2022, New York  
 Scott, Lewis K., 2022, Louisiana  
 Stuefen, Sara E., 2019, Iowa  
 Watson, Hope E., 2021, Tennessee  
 Weber, Walter G., 2021, California

Aravamudhan, Krishna, senior director  
 McHugh, Dennis, manager  
 Ojha, Diptee, senior manager  
 Pokorny, Frank, senior manager  
 Sanders, Marissa, manager  
 Tilleman, Sarah, senior manager

The Council's 2018–19 liaisons include: Dr. Billie Sue Kyger (Board of Trustees, Seventh District) and Mr. Kai Huang (American Student Dental Association).

## **Areas of Responsibility as Set Forth in the *Bylaws or Governance and Organizational Manual of the American Dental Association***

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As listed in Chapter VIII, Section K.3. of the *ADA Governance and Organizational Manual*, the areas of subject matter responsibility of the Council are:

- a. Administration and financing of all dental benefit programs including both commercial and public programs;
- b. Dental Quality Alliance;
- c. Monitoring of quality reporting activities of third party payers;
- d. Peer review programs;
- e. Code sets and code taxonomies including, but not limited to, procedure and diagnostic codes;
- f. Electronic and paper dental claim content and completion instructions; and
- g. Standards pertaining to the capture and exchange of information used in dental benefit plan administration and reimbursement for services rendered.

## **Advancing ADA Strategic Goals and Objectives: Agency Programs, Projects, Results and Success Measures**

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**Objective 3:** ADA will achieve a 10% increase in the assessment of member value from membership.

**Initiative/Program:** Third-Party Payer Advocacy & Credentialing

**Success Measure:** Maintain efficient and satisfactory call center responses to member questions.

**Target:** At least 85% of all members who call the Third-Party Payer Concierge and respond to the follow-up survey will be likely to call again with another question.

**Range:** Likelihood to call is between 75% and 85%.

**Outcome:** This program area supports individual member assistance through phone and email. Over 7,000 member issues are addressed annually. As of March 31, 2019, 2,872 member requests have been addressed and the level of satisfaction of Tier 2–3 closures is 84%. The timeliness of call closure is 81%. The likelihood of a member calling again with another question is 93%. Staff often reaches out to third-party payers with individual member concerns to assist with claim payments and other payer issues. Majority of calls pertain to:

- Coordination of benefits
- Assignment of benefits
- Non-covered services
- Disallowed procedures through bundling and down-coding of procedures
- Affiliated carrier contract clauses and leasing networks
- Requiring participating dentists to accept electronic funds transfer (EFT) or credit card payments instead of checks
- Claim denials and delays
- Refund requests going back several years
- Withholding of payments
- Audits
- Poorly written explanation of benefits language
- Not honoring pre-determinations
- Difficulty using payer portals and long hold times on phone

**Objective 3:** ADA will achieve a 10% increase in the assessment of member value from membership.

**Initiative/Program:** Third-Party Payer Advocacy & Credentialing

**Success Measure:** Ensure that information on dental benefits is disseminated to members through well-attended webinars.

**Target:** At least 3,300 individuals will participate in workshops or webinars by November 1, 2019. At least 85% of those responding to the post presentation survey are satisfied or very satisfied with the education programs.

**Range:** Between 2,500 and 3,500 individuals participate in Council workshops and webinars. Between 85% and 90% of attendees responding to the post presentation survey are satisfied or very satisfied with the education programs.

**Outcome:** As of April 30, 2019, a total of 1,669 individuals have participated in two webinars; 94.5% expressed satisfaction with the education programs. A total of 1,411 CE credits have been awarded through these webinars:

- Locum Tenens Dentists: Opportunities Abound – 02/28/2019
- Claims Submissions in the Eyes of a Dental Consultant: Session I – 04/18/2019

In addition to [Webinars](#), this program area disseminates information through the *ADA News Decoding Dental Benefits Series*.

**Objective 5:** Non-dues revenue will be at least 65% of total revenue

**Initiative/Program:** Code on Dental Procedures and Nomenclature (CDT Code)

**Success Measure:** Ensure on-time delivery of CDT products for publication and dissemination.

**Target:** Delivery of CDT 2020 ASCII file by May 15, 2019. Delivery of CDT 2020 and CDT Companion by July 1, 2019.

**Range:** N/A

**Outcome:** As of May 2019, all deliverables have been submitted. The CDT Code is the recognized standard procedure code set for documenting dental procedures on claim forms. In 2019, 98.5% of organizations participating in the Code Maintenance Committee (CMC) expressed satisfaction with the maintenance processes ensuring that there are no challenges to the ADA's leadership role in maintaining the CDT Code through a multi-stakeholder consensus body. Apart from providing individual member support on CDT Coding issues, a number of targeted [Coding guides](#) to educate dentists on proper use of the CDT Code have been developed.

**Objective 1:** The public will recognize the ADA and its members as leaders and advocates in oral health.

**Initiative/Program:** Quality Assessment and Improvement

**Success Measure:** Ensure that the Dental Quality Alliance (DQA) continues to be viewed as the lead agency for quality measures in dentistry.

**Target:** At least 30 state Medicaid programs report using DQA measures.

**Range:** 20–35 state Medicaid programs report using DQA measures.

**Outcome:** Thirty states have reported the DQA Sealant Measure to the Centers for Medicare and Medicaid Services (CMS). In addition, 12 states report using DQA measures for internal reporting. Thirty-six organizations are members of the DQA. Several federal agencies are continuing their participation as technical advisors. In 2019, the DQA is releasing measures related to Emergency Department for Dental Conditions and Dental Visits for People with Diabetes. DQA is providing technical assistance to eight states on various measurement and improvement activities.

**Objective 3:** ADA will achieve a 10% increase in the assessment of member value from membership.

**Initiative/Program:** Third-Party Payer Advocacy & Credentialing

**Success Measure:** Reduce paperwork burden for dentists by streamlining third-party payer credentialing.

**Target:** At least an additional 500 dentists per month have a current attested profile in ADA's Credentialing Service powered by CAQH ProView. At least \$44,000 in non-dues revenue generated in 2019.

**Range:** Between 300 and 700 new profiles are added as complete and current profiles in CAQH ProView each month.

**Outcome:** On average an additional 812 dentists have newly attested within ProView each month starting January 2019. As of April 2019, 32,824 dentists have complete profiles with current attestation (i.e., within the last 120 days). Another 19,453 dentists have completed profiles and now only need to log in to re-attest. ADA outreach is focused on enabling dentists and practice managers to engage with the ADA credentialing service. Outreach to dental payers has culminated in 27 participating dental organizations to date. As of March 2019, the program has generated \$12,080 as non-dues revenue (YTD).

In addition to the focused effort on credentialing, the Council is trying to address other sources of administrative burden for dentists participating in third-party payment programs including:

- Electronic Fund Transfer
- Electronic Remittance Advice (ERA)
- Eligibility and Benefits Verification
- Claims Submission & Attachments
- Coordination of Benefits

A survey of ADA member dentists was deployed by the ADA through its Advisory Circle to measure which transactions were creating the greatest burden for their practices. Preliminary survey results demonstrate that eligibility and benefits verification is the most common pain point for dentists with 41% of respondents indicating it is extremely burdensome. This is closely followed by coordination of benefits (40%), credentialing (33%) and claims submissions (24%).

To address these concerns, the Council hosted the first Administrative Efficiencies Summit in August 2018 to address the barriers to implementation of electronic transactions by dentists. The Summit participants included representatives from payers, clearinghouses, dental support organizations, software vendors, financial institutions, standards development organizations and dental offices. As of this writing, the Summit participants are working towards identifying solutions to reduce administrative burden on the topics identified above.

### **Dental Informatics**

For an update on the status of SNODENT and related activities, please see the Council on Dental Practice (CDP) 2019 Annual Report.

## **Emerging Issues and Trends**

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### **Dental Benefits Market Data**

The data below is the most current available.

*Overall Market Size for Dental Benefits* [Source: ADA Health Policy Institute]

- National dental care expenditure was \$124 billion in 2016. Per capita dental spending in 2016 was \$384.

*Enrollment* [Source: National Association of Dental Plans]

- Almost 254 million people (78% of the U.S. population) had a dental benefit in 2017—up from 248.1 million (77%) in 2016.
- In 2017, Preferred Provider Organizations (PPO) accounted for 85% of the dental plans in the market—up from 81% in 2016.
- In 2017, the commercial market had 82.8 million people (52%) with fully insured dental benefits versus 75 million (48%) with self-funded plans.

*Network Statistics* [Source: National Association of Dental Plans]

- In 2017, among those dentists who participate in PPO networks, on average, participate with approximately 14 carriers and is listed in an average of 23 different networks.

PPOs continue to grow and dominate the dental benefit market with dental health maintenance organizations (DHMOs) second at a mere 7%. Exclusive provider organization (EPO) plans, which are closed-panel networks, are increasing in popularity but still account for only 1% of the overall market. Payers are continuing to shift a greater share of costs on to insured members, particularly to those members who seek treatment from out-of-network providers.

Approximately 8.4% of people with dental coverage have individual policies, up from 7% the prior year. A little less than 1% of dental benefits are integrated with medical plans, a slight decrease from 2016.

Forty-four percent of plans allowed annual maximums ranging from \$1,500 to \$2,499 for patients visiting network providers and 45% allowed between \$1,000 and \$1,499. In 2016, only 4.2% of patients seeing a network provider reached their annual maximum benefit.

Wellness programs that provide additional annual visits to specific populations (e.g., people with diabetes) are increasing. New products (e.g., blue tooth enabled tooth brushes) are being combined with dental

benefit plans offering incentives like premium discounts to promote patient responsibility for home-care practices. Dental Support Organizations (DSO's) are offering in-office plans directly to individuals and some are positioning to be able to directly contract with employers. Employers are continuing to implement dental benefits as ancillary benefits with little movement to integrate medical and dental plans.

Movement towards value-based payments within public programs is increasing. The [newest models](#) introduced by CMS include models that incentivize primary care providers to reduce hospitalizations and cost of care by rewarding them through performance-based payments. Medicaid programs are increasing their efforts to learn from innovative value-based payment models experimented within Medicare for implementation in Medicaid. Oregon and Texas appear to be the Medicaid programs furthest along this transition to paying based on value.

## Responses to House of Delegates Resolutions

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**Resolution Objective:** 25H-2018. Response to House Resolution 56H-2017 (*Trans.266:2017*): Feasibility of a Clinical Data Registry

**25H-2018. Resolved**, that the Board of Trustees be urged to prioritize the establishment of a comprehensive clinical data warehouse/registry to support development of health policy, treatment guidelines, medical necessity rules, and to define population health and quality of care,

and be it further

**Resolved**, that the Board identify the best approach to fund the clinical data warehouse/registry and provide an implementation plan with a timeline to the 2019 House of Delegates.

**Outcome:** In response to Resolution B-8-2019, the Board approved up to \$260,000 in funding from the 2019 Board Contingent Fund for the Clinical Data Registry project related expenses. Additional funding for program expenses is included in the 2020 budget which will be presented for approval to the 2019 House of Delegates.

The Council proposes the following project vision, implementation plan and timeline.

**Vision:** The ADA wants to establish a data warehouse with data from all dental practices, including solo and small groups, so that the Association can play a leadership role in advancing the clinical evidence base for the profession. Specifically, by being the steward of a national clinical data registry, the ADA will:

- Identify opportunities to improve third-party payment policies and further support optimum oral health for all
- Provide clinical evidence supporting the appropriate delivery of dental services upholding the highest ethical standards of the profession
- Inform clinical decision support tools provided to dentists, including standardized benchmarking tools
- Track and report patient oral health outcomes over time and across different care delivery models, geographic areas, etc.

**Figure 1. Implementation Plan and Timeline**

Year	Implementation Plan
2019 (Planning)	<ul style="list-style-type: none"> <li>Identify business and technical needs</li> <li>Recruit vendor to establish data warehouse</li> <li>Document privacy and security plan</li> </ul>
2020 (Launch Minimal Viable Product)	<ul style="list-style-type: none"> <li>Build data warehouse</li> <li>Collect data with minimal provider burden from a pilot group of dental offices</li> </ul>
2021 (Increase Practice Participation)	<ul style="list-style-type: none"> <li>Recruit additional practices to participate in the program</li> <li>Automated data quality reports delivered to practices</li> </ul>
2022 (Increase Meaningful Data Use)	<ul style="list-style-type: none"> <li>Use aggregate data for policy/ advocacy activities</li> <li>Enable custom query capabilities</li> </ul>

The Council will monitor progress on this initiative and report to the House of Delegates on an annual basis.

**Resolution Objective:** 81H-2018—Dental Benefits in a Child Support Order (*Trans.2018:XXX*)

**81H-2018. Resolved**, that the American Dental Association pursue federal legislative or regulatory efforts to require dental support in child custody orders as a child support obligation, like medical support, and be it further

**Resolved**, that constituent societies of the American Dental Association be urged to pursue individual state legislative or regulatory efforts to require dental support in child custody orders as a child support organization.

**Outcome:** Resolution 81H-2018 is addressed in the Council on Government Affairs annual report.

**Resolution Objective:** 7H-2010—Dental Practice Parameters (*Trans.2010:545*)

**7H-2010. Resolved**, that the Dental Practice Parameters Committee be disbanded effective December 31, 2010, and be it further

**Resolved**, that the Council on Dental Benefit Programs be charged with the responsibility to monitor the Parameters and recommend removal of any Parameters that become too outdated to be useful.

**Outcome:** In 2010, the House of Delegates charged the Council with the responsibility to monitor the ADA Dental Practice Parameters and recommend removal of any parameters that have become outdated.

The practice parameters were developed to aid the practicing dentist in clinical decision making and, thus, describe clinical considerations in the diagnosis and treatment of oral health conditions. There are currently practice parameters that describe the clinical considerations in the diagnosis and treatment of 30 oral health conditions. Since 2010, the parameters have been in maintenance phase only and housed in the ADA member-only webpage. At its May 2019 meeting, given the lack of use of the parameters based on web trend reports, the Council sun-set the program and retired all parameters.

### Self-Assessment

The Council is next scheduled to conduct a self-assessment in 2023.

## Policy Review

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In accordance with Resolution 170H-2012, Regular Comprehensive Policy Review, the Council reviewed the following Association policies and determined they should be maintained:

Statement on Capitation Dental Benefit Programs (*Trans.*1985:582; 1993:689; 2013:303)  
 Medically Necessary Care (*Trans.*1988:474; 1996:686; 2014:451)  
 Medically Necessary Care (*Trans.*1990:537)  
 Dentist Rating by Third Parties (*Trans.*2014:455)  
 Support of Current Medicaid Law and Regulations Regarding Dental Services (*Trans.*2010:603; 2014:500)  
 Pre-Existing Condition Exclusion (*Trans.*1991:634)  
 Responsibility for the Oral Health of Patients (*Trans.*2004:334)  
 Direct Reimbursement (*Trans.*1989:548)  
 Direct Reimbursement Concept (*Trans.*1982:518)  
 Direct Reimbursement Mechanism (*Trans.*1978:510)  
 Charge for Administrative Costs (*Trans.*1974:656; 1989:553; 2013:308)  
 Dental Enrollment Credentialing (*Trans.*2002:395)  
 Itemization of Dental Charges (*Trans.*1979:634)  
 Hospitalization Insurance for Dental Treatment (*Trans.*1972:674; 2013:309)  
 Council Membership Restriction (*Trans.*1973:645)  
 Review of Evidence-Based Reports Denying Reimbursement (*Trans.*2002:423)  
 Mandated Assignment or Authorization of Dental Benefits (*Trans.*2006:316)  
 Participation in Public Agency Sponsored Programs Involving Dental Health Benefits (*Trans.*1995:648)  
 Government-Sponsored Dental Programs (*Trans.*1998:705)  
 Real-Time Claims Adjudication (*Trans.*2007:419)  
 Government Reports on Payments to Dentists (*Trans.*1976:858; 2013:305)  
 Dental Coverage for Retiring Employees (*Trans.*1993:689)  
 Equitable Dental Benefits for Relatives of Dentists (*Trans.*1987:502)  
 Extending Dental Plan Coverage to Dependents of Beneficiaries (*Trans.*1993:694)  
 Patient and Provider Advisory Panel (*Trans.*1997:704)  
 Frequency of Benefits (*Trans.*1983:548)  
 Limitation of Payments to Specialty Groups (*Trans.*1965:63, 353)  
 Utilization Management (*Trans.*1990:541)  
 Use of Statistics in Utilization Review (*Trans.*1989:542)  
 Preauthorization of Benefits (*Trans.*1992:597)

In addition, the Council adopted a resolution to forward policy change recommendations to the 2019 House of Delegates.

## Council Minutes

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For more information on recent activities, see the Council's [minutes](#) on ADA.org.

# Council on Dental Education and Licensure

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Gehani, Rekha C., 2020, New York, chair, American Dental Association  
 Niessen, Linda C., 2021, Florida, vice chair, American Dental Education Association  
 Boden, David F., 2020, Florida, American Dental Association  
 Cassella, Edmund A., 2019, Hawaii, American Dental Association  
 DiFranco, GeriAnn, 2020, Illinois, American Association of Dental Boards  
 Donoff, Bruce R., 2020, Massachusetts, American Dental Education Association  
 Hammer, Daniel A., 2019, Texas, New Dentist Member  
 Hangorsky, Uri, 2022, Pennsylvania, American Dental Education Association  
 Hardesty, Willis Stanton, Jr., 2022, North Carolina, American Dental Association, *ad interim*\*  
 Korzeb, Jennifer, 2019, Massachusetts, American Dental Association  
 Lepowsky, Steven M., 2019, Connecticut, American Dental Education Association\*\*  
 Lim, Jun S., 2021, Illinois, American Dental Association, *ad interim*\*  
 Miles, Maurice, 2019, Maryland, American Association of Dental Boards  
 Nielson, David, 2022, Alaska, American Association of Dental Boards  
 Plemons, Jacqueline M., 2021, Texas, American Dental Association  
 Scarbrough, A. Roddy, 2021, Mississippi, American Association of Dental Boards  
 Thomas-Moses, Donna, 2022, Georgia, American Dental Association

Hart, Karen M., director  
 Puzan, Annette, manager  
 Strotman, Meaghan D., manager

The Council's 2018–19 liaisons include: Dr. Raymond A. Cohlma (Board of Trustees, Twelfth District) and Dr. Roopali Kulkarni (American Student Dental Association).

## Areas of Responsibility as Set Forth in the *Bylaws or Governance and Organizational Manual of the American Dental Association*

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As listed in Chapter VIII, Section K.4, of the *ADA Governance and Organizational Manual*, the areas of subject matter responsibility for the Council shall be:

- a. Dental, advanced dental and allied dental education and accreditation;
- b. Recognition of dental specialties and interest areas in general dentistry;
- c. Dental anesthesiology and sedation;
- d. Dental admission testing;
- e. Licensure;
- f. Certifying boards and credentialing for specialists and allied dental personnel; and
- g. Continuing dental education.

## Advancing ADA Strategic Goals and Objectives: Agency Programs, Projects, Results and Success Measures

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**Objective 6:** The roles and responsibilities of each element of the tripartite will be clearly defined and agreed upon.

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\*The ADA president appointed Dr. Willis Stanton Hardesty, Jr., to complete the term of Dr. Michael J. Link and Dr. Jun S. Lim to complete the term of Dr. Meaghan D. Strotman.

\*\*The American Dental Education Association appointed Dr. Steven Lepowsky to complete the term of Dr. Mert Aksu.



**Initiative/Program:** Support the ADA and state dental associations in licensure reform efforts in accord with the ADA Comprehensive Policy on Dental Licensure.

**Success Measures:**

1. Support the ADA's involvement with the Coalition for Modernizing Dental Licensure.
2. Continue to support the development and implementation of the Dental Licensure Objective Structured Clinical Examination (DLOSCE).
3. Assist state dental associations and state dental boards when invited or as requested.
4. On behalf of the ADA, monitor activities of the Joint Commission on National Dental Examinations (JCNDL).

**Target:** Reports on these matters at January and June in-person Council meetings; ongoing updates and reports at relevant standing committee conference calls.

**Range:** January through December

**Outcome:** Coalition on Modernizing Dental Licensure has launched; the Council plans to attend the Coalition's invitational webinar in May. The administration of the DLOSCE pilot is on plan for late 2019. At the time this report was prepared, information about the DLOSCE had been provided to the Oregon Dental Board with the support of the Oregon Dental Association and the Ohio Dental Board with support of the Ohio Dental Association. Information of the comparability of clinical licensing examinations offered by the clinical testing agencies was presented to the Rhode Island Dental Board, as requested. Technical assistance regarding the ADA Guidelines of the Use of Sedation and Anesthesia by Dentists was presented to the Wisconsin Board of Dentistry.

The Council maintains testing and licensure information on the [ADA website](#). For new dentists and dentists seeking licensure by credentials the [state tables](#) include clinical examinations accepted and other regulatory information.

Per a directive of the 2013 House of Delegates (*Trans.2013:327*), the Council monitors the Dental Board of California's (DBC) implementation of its portfolio-style examination and reports information annually to the House of Delegates. Since November 5, 2014, individuals may qualify for dental licensure in California on the basis of passing the Portfolio Examination while enrolled in a dental school approved by the California Dental Board. As of May 2019, the DBC had issued 76 dental licenses via the portfolio pathway.

**State Licensure Legislation:** In collaboration with the department of State Government Affairs, the Council monitors proposed and enacted state dentist licensure legislation. Table 1 summarizes June 2018–April 2019 legislation enacted by states.

**Table 1. Recent Enacted State Licensure Legislation**

State	Bill Number and Date Enacted	Action
Arizona	HB 2569. Enacted 4/10/19	The first state in the nation to have universal licensing recognition. With the passage of this law, occupational and professional licenses can be issued to individuals who establish residency in Arizona, without completing an additional examination if they have previously passed an examination required in another state, have been licensed in another state for at least a year, have not been disciplined, have not had their license revoked, do not have any complaints or pending investigations, and do not have a qualifying criminal history.

Hawaii	HB 2149 HD1 SD1. Enacted 7/10/18	Increases the number of dental CE ethics hours required from at least three credits every year to at least six credits every two years.
Missouri	HB 1268. Enacted 6/29/18	Allows the state dental board to “issue a dental faculty permit to an individual who is employed by an accredited dental school, college or program in Missouri. The holder of a dental faculty permit shall be authorized to practice dentistry....only within accredited dental school programs and only while engaged in teaching” and sets forth requirements to obtain a dental faculty permit.
New Hampshire	SB 377. Enacted 6/25/18	Requires criminal history records checks for new dental and dental hygienist licensure applicants, and also requires the Board of Dental Examiners to provide a rehabilitative program for impaired dentists.
Tennessee	SB 53. Enacted 4/30/19	Creates exemptions to licensure requirements for certain health professionals—including dentists—who have a current license to practice in another state and who agree to participate in federal Innovative Readiness Training (IRT) programs. In order to qualify for the licensure exemptions, the health professional must be engaged in the practice of healthcare through a program in partnership with federal IRT and be either: (a) an active or reserve member of the U.S. armed forces; (b) a member of the national guard; (c) a civilian employee of the U.S. department of defense; (d) a contractor with the department of defense or coast guard; or (e) a healthcare professional otherwise authorized by the department of defense. The services provided must be within the health professional’s licensed scope of practice, and the health professional is not permitted to engage in practice of healthcare outside of the IRT program.
West Virginia	SB 400. Enacted 3/22/19	Permits: (A) The state dental board to create and issue specialty licenses to general dentists who “have completed a board-recognized dental specialty/advanced education program accredited by the Commission on Dental Accreditation”; states that the specialties “shall” include the following (all are defined): public health dentistry, endodontics, oral and maxillofacial surgery, oral and maxillofacial radiology, orthodontics and dentofacial orthopedics, pediatric dentistry, periodontics, prosthodontics and oral pathology; and (B) Revises the current dental examination laws as follows: “ <i>Has passed a national board examination as given by the Joint Commission on National Dental Examinations and a clinical examination administered by the Commission on Dental Competency Assessments, the Central Regional Dental Testing Service, the Council of Interstate Testing Agencies, the Southern Regional Testing Agency, or the Western Regional Examining Board, or the successor to any of those entities, which demonstrates competency</i> ” in endodontics, fixed prosthodontics, periodontics and restorative.

**Objective 6:** The roles and responsibilities of each element of the tripartite will be clearly defined and agreed upon.

**Initiative/Program:** On behalf of the ADA, monitor and comment on matters of the Commission on Dental Accreditation (CODA), Commission for Continuing Education Provider Recognition (CCEPR), and the National Commission on Recognition of Dental Specialties and Certifying Boards (NCRDSCB).

**Success Measures:** Submit comment to CODA on proposed revisions to accreditation standards; submit comment to CCEPR on proposed change to the eligibility requirements for CE providers; comment to NCRDSCB on the application requesting that dental anesthesiology be recognized as a dental specialty.

**Target:** Meet comment deadlines set by CODA, CCEPR and NCRDSCB

**Range:** January–July

**Outcome:** All comment deadlines were met.

The Council transmitted comment to CODA on 12 proposed revisions to accreditation standards. The Council commented in support of the proposal calling for a revision to the eligibility criteria so that commercial entities would no longer be eligible for ADA CERP recognition. The Council also submitted comment to NCRDSCB urging that dental anesthesiology be recognized as a dental specialty. Specifics on these matters are noted in the Council's meeting minutes.

**Objective 6:** The roles and responsibilities of each element of the tripartite will be clearly defined and agreed upon.

**Initiative/Program:** Fulfill responsibilities to and assignments by the ADA House of Delegates

**Success Measures:**

1. Consider referred Resolution 21-2018 in collaboration with the Council on Ethics, Bylaws and Judicial Affairs (CEBJA), Resolution 74H-2018 in collaboration with the Department of State Government Affairs, the Department of Continuing Education and the Council on Advocacy for Access and Prevention (CAAP) and referred Resolution 83-2018.
2. Consider and recommend revision to ADA policies related to allied dental education and credentialing.
3. Pursuant to Resolution 41H-2018, conduct a self-assessment of the Council and report findings to the 2019 House of Delegates.

**Target:** Submission of reports and resolutions to the 2019 House of Delegates

**Range:** May–September

**Outcome:** On plan for submission of reports and resolutions to the 2019 House of Delegates.

### **Emerging Issues and Trends**

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The feasibility of accreditation of advanced education programs in geriatric dentistry is being considered by the Council and will be reported to the 2019 House of Delegates in response to Resolution 83-2018. At its June 2019 meeting, the Council will consider the use and implications of licensure compacts for dentists and dental hygienists as well as the concept of subspecialties for dentistry.

### **Responses to House of Delegates Resolutions**

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**Resolution Objective:** 21-2018. Rescission of Policy: Use of the Term "Specialty"

**21-2018. Resolved**, that the ADA Policy on Use of the Term “Specialty” (*Trans.*1957:360) be rescinded.

Resolution 21-2018 was referred to the appropriate agencies (the Council and CEBJA) for further study. CEBJA is providing the response to the 2019 House of Delegates.

**Resolution Objective:** 74H-2018. Continuing Education to Identify Abused and Neglected Patients

**74H-2018. Resolved**, that the appropriate ADA agency be encouraged to draft model regulations for the use by each state regulatory board for the purpose of including continuing education for the identification and reporting of abuse of children, people with disabilities, intimate partners and elders in continuing education courses, and be it further

**Resolved**, that each state be encouraged to pursue such regulations, and be it further

**Resolved**, that the ADA provide courses about identification and reporting of abuse to ADA member dentists as a free member benefit.

The Council, CAAP, Department of State Government Affairs, and Department of Continuing Education collaborated on implementing Resolution 74H-2018. CAAP is providing the response to the 2019 House of Delegates.

**Resolution Objective:** 83-2018. Geriatric Dentistry

**83-2018. Resolved**, that the Council on Dental Education and Licensure (CDEL) explore, with other appropriate communities of interest, the feasibility of requesting the development of an accreditation process and accreditation standards for advanced education programs in geriatric dentistry by the Commission on Dental Accreditation. The feasibility study is to be provided to the 2019 House of Delegates.

*The following provisions were offered for consideration during debate on referral:  
In recognition of the expanding population in need of geriatric care, it is requested that the report to the 2019 House of Delegate address the following actionable strategies for both hygienists and dentists with respect to the following points:*

- 1. To enhance and expand pre-doctoral training.*
- 2. To develop and promote continuing education programs for existing practitioners*
- 3. To investigate advanced educational opportunities.*

*All with the goal of increasing access to competent and broadly available geriatric care in all oral healthcare settings both public and private.*

In response to referred Resolution 83-2018, the Council is surveying the geriatric dentistry education community to ascertain their interest in pursuing accreditation for advanced dental education programs in geriatric dentistry. The Council will consider the survey results at its June 27–28, 2019, meeting. A summary of the findings and related resolutions, if any, will be provided in a report to the 2019 House of Delegates.

## **Self-Assessment**

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In accordance with Resolution 41H-2018, the Council is conducting a self-assessment in 2019. Current and past members of the Council were surveyed to gather their insights and perspectives on the agency's roles and responsibilities. The Council will consider the survey results at its June 27–28, 2019, meeting. A summary of the self-assessment and related resolutions, if any, will be provided in a report to the 2019 House of Delegates.

## Policy Review

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In accordance with Resolution 170H-2012, Regular Comprehensive Policy Review (*Trans.*2012:370), the Council is reviewing the following Association policies related to allied dental education and certification:

Admissions Criteria for Dental Hygiene Programs (*Trans.*1995:639)  
 Statement on Credentialing Dental Assistants (*Trans.*1995:634)  
 Criteria for Recognition of a Certification Board for Dental Assistants (*Trans.*1989:520;  
*Trans.*2014:460)  
 Development of Alternative Pathways for Dental Hygiene Training (*Trans.*1998:714; *Trans.*2014:459)  
 Dentist Administered Dental Assisting and Dental Hygiene Education Programs (*Trans.*1992:616;  
*Trans.*2010:542)  
 Certifying Board in Dental Assisting (*Trans.*1990:551; *Trans.*2014:460)  
 Criteria for Recognition of a Certification Board for Dental Laboratory Technicians (*Trans.*1998:92,  
 713; *Trans.*2014:462)  
 Certifying Board in Dental Laboratory Technology (*Trans.*2002:400; *Trans.*2014:460)

At its June 27–28, 2019, meeting, the Council will determine the policies that should be retained as written. The Council also will consider whether any of the policies should be amended or rescinded. Recommended actions will be reported to the 2019 House of Delegates via resolution worksheets.

## Council Minutes

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For more information on recent activities, see the Council's [minutes](#) on ADA.org.

# Council on Dental Practice

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Van Scoyoc, Stacey K., 2019, Illinois, chair  
 Liddell, Rudolph T., III, 2020, Florida, vice chair  
 Aflatooni, Nima, 2020, California  
 Berkley, Jeffrey S., 2021, Connecticut  
 Braden, Ryan, 2022, Wisconsin  
 Connell, Christopher M., 2019, Ohio  
 Donald, W. Mark, 2022, Mississippi  
 Hale, Hal E., 2019, Kansas  
 Ho, Duc M., 2021, Texas  
 Hoddick, James A., 2022, New York  
 House, Allison B., 2022, Arizona  
 Liang, Christopher G., 2021, Maryland  
 Limberakis, Cary J., 2021, Pennsylvania  
 Medovic, Michael D., 2020, West Virginia  
 Mikell, Julia K., 2019, South Carolina  
 Rekhi, Princy, 2020, Washington  
 Saba, Michael, A., 2019, New Jersey\*  
 Wolff, Douglas S., 2020, Minnesota

Porembski, Pamela M., director  
 Metrick, Diane M., senior manager  
 Bramhall, Alison M., manager  
 Colangelo, Erica A-M., manager  
 Kluck-Nygren, Cynthia A, manager

The Council's 2018–19 liaisons include: Dr. Judith M. Fisch (Board of Trustees, First District) and Ms. Karina Valentin (American Student Dental Association).

## **Areas of Responsibility as Set Forth in the *Bylaws or Governance and Organizational Manual of the American Dental Association***

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As listed in Chapter VIII, K.5. of the *ADA Governance and Operation Manual*, the area of subject matter responsibility of the Council are:

- a. Dental Practice;
- b. Allied Dental Personnel;
- c. Dental Health and Wellness;
- d. Dental Informatics and Standards for Electronic Technologies; and
- e. Activities and Resources Directed to the Success of the Dental Practice and the Member.

## **Advancing ADA Strategic Goals and Objectives: Agency Programs, Projects, Results and Success Measures**

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**Objective 3.1:** Pursue programs that members value and are “Best in class.”

**Initiative/Program:** Continuing Education and Member Engagement at ADA FDI World Dental Congress 2019

**Success Measure:** 20 Council-affiliated courses presented (varying Continuing Education Units [CEUs])

**Target:** 800 attendees with 1,040 CEUs delivered

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\* *New Dentist member*

**Range:** 800–1,200 attendees with 900–1,200 CEUs delivered

**Outcome:** The project is on track to meet its goals.

ADA FDI World Dental Congress 2019 includes 21 courses sponsored by, or affiliated with, the Council. Many sessions will take place in the Practice Excellence Theater on the exhibit floor at the Moscone Center. Attendee interest in the practice management courses taking place in the Practice Excellence Theater is expected to be quite high since these sessions represent the primary, no fee, practice management continuing education (CE) available during the meeting.

The Practice Excellence concept at ADA FDI World Dental Congress 2019 is new and will include several innovative opportunities for member learning and engagement such as: Practice Excellence Campfires; the Risk Management Case of the Day Kiosk; an interactive display to boost attendee awareness of dental Standards; the ADA Design Innovation Award Exhibit which allows attendees to vote for the winner; and Ask the Expert Encounters.

In addition, the Wellness Theater/Ergonomics, which is located near the Practice Excellence Theater, will feature a series of no-fee lectures on such wellness topics as yoga, meditation, vaccines, allergies, carpal tunnel, marijuana, and more. Select courses offered there are also affiliated with the Council.

**Objective 3.1:** Pursue programs that members value and are “Best in Class.”

**Initiative/Program:** BIG Idea 2019: Transitions

**Success Measure:** Present the conference with six-hour CEUs

**Target:** 85 conference attendees with 510 CEUs delivered

**Range:** 75–100 attendees with 450–600 CEUs delivered

**Outcome:** This project is on track to meet its goals. The Conference will be held August 9, 2019, at the ADA Headquarters, Chicago. The Conference presentations include:

- “15 Ways to Increase Practice Value ASAP” by Dr. Roger Levin
- “Considering a Sale of Your Dental Practice? How to Make it Tax Efficient” by Mr. Allen Schiff, C.P.A., C.F.E.
- “You’ll Need a Lawyer” by Mr. William Prescott, J.D., E.M.B.A.
- “Plan Your Exit Strategy” by Mr. Kirk Dewart

Each participant will receive six hours of CEUs.

**Objective 3.1:** Pursue programs that members value and are “Best in Class”

**Initiative/Program:** Guidelines for Practice Success™ (GPS™) Module on Managing Pregnancy

**Success Measure:** Resource available by year-end

**Target:** Submit the GPS™ module on Managing Pregnancy to the ADA® Center for Professional Success™ (CPS) for posting by December 20, 2019.

**Range:** The module will be delivered for online posting in the fourth quarter and will include 15–30 original articles and resources.

**Outcome:** In response to a need identified by the New Dentist Committee (NDC), this project is on track to meet its goals. Content authorities contributing to the project include council representatives, an obstetrician/gynecologist, practice management consultants with knowledge about federal human resources laws and staff maternity policies for dental practices, an ergonomist and a physical therapist. The published resource will provide consensus-based best practices to support three communities: practice-owning dentists who are pregnant or planning a pregnancy; employee or associate dentists who are pregnant or planning a pregnancy; and dentists who own practices or manage team members who may announce pregnancies. The Council on Members Insurance and Retirement Programs (CMIRP) will provide information on disability and other insurance considerations. The Managing Pregnancy module will be submitted for print and online access by year-end.

**Objective 3.1:** Pursue programs that members value and are “Best in Class”

**Initiative/Program:** Guidelines for Practice Success™ (GPS™) Webinars

**Success Measure:** Deliver three, one-hour webinars, based on content from the ADA's Guidelines for Practice Success™ (GPS™) suite of resources with CE by year-end.

**Target:** 175 registrants per program

**Range:** 150–200 registrants

**Outcome:** This project is on track to meet its goals. These webinars included content from the GPS™ modules:

- “You Want Me to Say WHAT to a Patient?! How to Resolve Delicate Patient Situations with Tact & Diplomacy” by Ms. Denise Ciardello (from the Managing Patients module)
- “Legal Updates for Dental Practitioners” by Richard S. Harold (from the Managing Professional Risks module)
- One additional topic to be determined

The Managing Patients webinar had the highest number of registrants and attendees for any GPS program, with 690 registrants, 378 participants, and 279 CEUs awarded. In addition, 100% of respondents to the post-program survey reported being very satisfied/satisfied that the program content and materials were useful and relevant to their needs; 100% of respondents reported being very satisfied/satisfied that the presenters was knowledgeable and engaging; and 97% of respondents reported being very satisfied/satisfied with the program overall.

All webinars are available for on-demand viewing via the CPS; CE credit is only available for those attending the live program.

**Objectives 2.1:** Focus the message to connect with individual members, potential members and key market segments.

**Initiative/Program:** CPS staff shall identify top five requests for content through use of data from Community User's Group, ADA Advisory Circle, direct member questions and other available sources. Create/edit/deliver content to address top five issues.

**Success Measure:** Using data from Community User's Group, ADA Advisory Circle, direct member questions, member views and downloads of current content, and other available sources, identify top five requests for content. Create content to address top five subject areas.

**Target:** 100 combined views/downloads per topic.

**Range:** 80–120 combined views per topic.



**Outcome:** This project is on target to be completed. Thus far in 2019, three CPS Community User's Group surveys have been completed, and two ADA Advisory Circle surveys have been deployed to gather information. A minimum of three more Community User's surveys and two more Advisory Circle surveys are planned for the remainder of the year. At this point in time, the following issues have been identified as priorities: dental benefits, work-life balance, opening a new practice, social media policies and the approach of the July 2020 full compliance deadline for the amalgam separator rule.

To date, CPS staff have developed, edited and then subsequently deployed content addressing these topics:

- Top Five Dental Benefit Concerns podcast/323 unique downloads
- Several work-life balance podcasts on stress in dental school and mindfulness in practice/438 unique downloads; mindfulness series of seven short videos (just released; no data at this time)
- Opening a New Practice and Hiring New Staff podcasts/385 unique downloads
- Social media policy information updates/planned for the third quarter of 2019
- Update on deadlines for amalgam separator rule (with marketing support) planned for launch early third quarter and running through remainder of 2019

**Objective 3.1:** Pursue programs that members value and are "Best in Class"

**Initiative/Program:** ADA Standards Program

**Success Measure:** Increase member awareness and utilization of standards

**Target:** Provide members with Executive Summaries for all ADA new standards deliverables, 25% of existing SCDI standards, and 15% of all SCDP standards. Provide news media with standards articles six times per year.

**Range:** N/A

**Outcome:** The Department of Standards Administration increased member engagement by developing 15 executive summaries for new ADA standards and technical reports and 12 executive summaries for existing ADA standards and technical reports for multiple products and services used in their practice. The department continues to work with Practice Institute staff to finalize the dedicated area for standards executive summaries on the CPS website. ADA members will have free access to the executive summaries which focus on the clinically relevant information in standards and what they can use to make more informed purchasing decisions. Nine articles were published in 2018 that provided information and guidance on the implementation of electronic technologies in dental practices and work is ongoing for several articles in 2019 which will focus on the personal impact standards have on practicing dentists.

**Objective 3.1:** Pursue programs that members value and are "Best in Class"

**Success Measure:** Provide ADA members with an updated diagnostic coding standard

**Target:** Successful completion of maintenance process and accredited American National Standards Institute (ANSI) procedures leading to approval of revised ANSI/ADA Standard No. 2000.2, Systemized Nomenclature of Dentistry (SNODENT).

**Range:** N/A

**Outcome:** The SNODENT maintenance process and approval by ANSI was successfully completed in 2018, maintaining the ADA's position as the leader in the development of diagnostic coding and clinical terminology standards for dentistry.

The 2019 SNODENT maintenance process is under way at the time of writing. Completion of the maintenance cycle, with approval of the next version of SNODENT by ANSI and subsequent publication by the ADA, is anticipated in late 2019.

**Objective 3.1:** Pursue programs that members value and are “Best in Class”

**Success Measure:** Provide ADA members with the appropriate standards and technical reports so that they can be successful in their careers

**Target:** Ensure that ADA continues to be the leader in the development of dental standards by:

- Successful implementation of the accredited ANSI procedures lead to ANSI approval of ADA standards and technical reports that impact dentistry
- Use the accredited US TAG and International Organization for Standardization (ISO) programs to identify international standards that are appropriate for adoption as U.S.-based ADA standards and initiate adoption procedures accredited through ANSI

**Range:** N/A

**Outcome:** Using accredited standards committees procedures, 21 new and revised standards were approved by ANSI; and nine new and revised technical reports were approved by ADA standards committees in 2018. These standards documents provide members with the tools needed to evaluate products and implement new technologies in dental practices.

**Objective 3.1:** Pursue programs that members value and are “Best in Class”

**Success Measure:** Initiate process for the ADA /U.S. hosting of the 2020 ISO/TC 106 meeting in the U.S.

**Target:**

- Approval of hosting the meeting by ADA leadership
- Development of a project plan to set goals and deadlines for meeting requirements
- Selection of meeting venue and attendee hotels
- Develop funding plan for hosting of meeting through sponsorships and donations

**Range:** N/A

**Outcome:** The Department of Standards Administration obtained Board approval to host the 2020 ISO/TC 106 meeting, enhancing the ADA's position as a global leader in the development of international dental standards. The meeting venue has been confirmed and the contract has been fully executed. The project and funding plans have been developed and work continues in preparation of the meeting.

## Emerging Issues and Trends

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### Silver Diamine Fluoride

The ADA Center for Evidence-Based Dentistry has issued a clinical guideline for non-restorative treatment of caries and it includes the use of Silver Diamine Fluoride (SDF). SDF has been approved for off-label use by the FDA as a desensitizer, and hygienists may apply it under their scope of practice. The use of SDF to treat caries is also off-label and is not in the scope of hygiene. Questions on the appropriate use of SDF and scope of practice issues have arisen in various states. The Council has developed a proposed policy on the use of SDF which will be submitted for consideration at the 2019 House of Delegates meeting.

### Dental Practice Ownership

Twelve (12) states, Arizona, California, Colorado, Indiana, Kentucky, Maine, Minnesota, Nevada, New Mexico, North Dakota, Washington and Wisconsin, allow a person or legal entity not licensed as a dentist in the state to participate in the ownership of a private dental practice. In order to protect the oral health and safety of patients and to provide states with guidance to ensure that licensed dentists are leaders of the dental team and in control of the practice of dentistry, the Council has proposed that the ADA policy *Regulating Non-Dentist Owners of Dental Practices* (Trans.2011:491) be amended to request registration of non-dentist owners by the state licensing board and/or appropriate state authority. The Council will submit the proposed amendment to this policy for consideration at the 2019 House of Delegates meeting.

### Diversity of Practice Models

The Council recognizes that there is a wide diversity of practice models existing in the dental profession. The ADA's Health Policy Institute [reports](#) just over 50% of dental practices in the US are solo owner practices, down from 65% in 1999. Dentists are increasingly practicing in groups of different sizes. As more dentists seek opportunities outside of solo practice, the Council has proposed amending the policy, *Dentists' Choice of Practice Settings* (Trans.1994:637), in support of dentists who do not choose to work as solo dentists. The Council will submit the proposed amendment to the 2019 House of Delegates for consideration.

### Statement Regarding Employment of a Dentist

Dental school students are increasingly a diverse group according to the [American Dental Education Association Data Center](#). The number of female enrollees outnumbered males for the first time in 2018. Ethnicity is also increasingly diverse. Many new dentists decide to seek employment as a dentist, rather than opt for ownership. In order to support the diversity in dentistry and to ensure consistency with the ADA *Principles of Ethics and Code of Professional Conduct*, the Council proposed an amendment prohibiting discrimination to the *Statement Regarding Employment of a Dentist* (Trans.2013:353) and will submit the proposed amendment to the 2019 House of Delegates for consideration.

### Pregnancy Issues in Dental Practice

Women dentists (owners, employees or associates) face unique challenges with pregnancy issues during their careers. In order to address these issues, the Board of Trustees authorized funds to support the development of a comprehensive resource on managing pregnancy. A module in the Guidelines for Practice Success™ series, Managing Pregnancy, will provide consensus-based best practices to support dentists who own or manage practices, as well as associate/employee dentists who may be planning pregnancies or already pregnant. Topics to be covered include federal human resources laws, staff maternity policies for dental practices, and ergonomic considerations for pregnant individuals. The resource will be available free online to ADA members by the end of the year.

### Elder Care Activities

The U.S. Census Bureau projects that the U.S. population, aged 65 and older (seniors), will grow by 9 percentage points from 2016 to 2060, making it the fastest growing age group. Approximately 37% of seniors have some source of dental coverage, according to the [2016 Health Policy Institute \(HPI\) analysis of Medical Expenditure Panel Survey](#). About 26% have private dental benefits, and the remaining 11% have some form of public dental coverage (e.g., Medicaid, Veterans Affairs, or Tricare). The remaining 63% of seniors do not have dental benefits coverage. In terms of utilization, approximately 43.3% of seniors visited the dentist at least once in 2016, according to the [HPI Annual Dental Industry Report 2019](#). Among seniors with private dental benefits, 68.7% had at least one dental visit. Among those with public dental benefits, 16.1% visited the dentist at least once. Thirty-seven percent of seniors that do not have dental coverage, or cash-pay patients, visited the dentist at least once in 2016.

In 2018, the House of Delegates adopted Resolution 33H, which directed the president to appoint an ad hoc committee to review the Association's current policies on oral health issues and to identify and implementation plan to address elder care. This presidentially-appointed elder care workgroup charged with developing new or updated elder care strategies was formed in February 2019. Included in the workgroup are Dr. Cesar Sabates, Florida, *chair*; Dr. Joseph Battaglia, New Jersey; Dr. Michael Eggatz, Florida; Dr. William Gerlach, Texas; Dr. Judith Jones, Michigan; Dr. Matthew Messina, Ohio; Paul

Mulhausen, M.D., Iowa; Dr. Richard Nagy, California; Dr. Marsha Pyle, Missouri; Dr. Diane Romaine, Maryland; Dr. Ronald Riggins, Illinois; and Dr. Thomas Sollecito, Pennsylvania. Extensive background material has been distributed to the workgroup and their deliberative work began with a conference call in April 2019 and an initial in-person meeting June 1–2, 2019. The ad hoc committee is expected to issue its own report.

A day-long Elder Care Symposium will be held June 28, 2019, with an estimated 100 registrants and 600 CEUs delivered. This Symposium is intended to boost awareness of elder care and oral health, highlight the relationship between oral health and systemic health of older patients and present reliable and credible information and practical solutions to assist dentists in improving the oral health and overall health of the senior population.

Seminar presentations include:

- “Challenges in Elder Care” by Dr. Marsha Pyle
- “Chronic Disease, Polypharmacy and Senior Oral Health” by Dr. Leonard Brennan
- “Navigating Difficult Treatment Planning with our Geriatric Patients” by Drs. Gretchen Gibson and Gregory Folse
- “Collaborating with Medical Doctors” by Paul Mulhausen, M.D.
- “Successful Dentures for Geriatric Patients” by Dr. Gregory Folse
- “Multiple Uses of Silver Diamine Fluoride in Seniors” by Drs. Janet Yellowitz and Michael Helgeson
- “Oral Health Literacy for an Aging Population” by Dr. Mark Wolff

Additionally, three one-hour webinars with one CEU awarded to each participant, are scheduled in 2019 on the topic of elder care. It is estimated that there will be 80–100 attendees registrants with 500–700 CEUs delivered for all three webinars.

### **Burnout in Dentistry**

In a 2016 article from the [\*Journal of International Society of Preventive & Community Dentistry\*](#), research showed that dentists are prone to professional burnout, anxiety and depression. Stress may lead to negative impact on dentists’ personal as well as professional lives. The factors most commonly considered responsible for professional burnout were emotional exhaustion (39.27%), frustrations (47.83%), feeling worn out at the end of the day (35.05%), feeling worn out at the end of the working day (46.80%), exhaustion in the morning at the thought of another day at work (35.05%), feeling that every working hour is tiring (46.80%), less energy and less time for family and friends (47.83%). A 2015 ADA Health and Well-Being Survey found that 11% of member dentists would definitely not want to be a dentist again if they re-lived their life. Of the dentists who reported that they would definitely not want to be a dentist again if they re-lived their life, about half (49%) felt that they worked too much at work and more than half (55.6%) were unsatisfied with their primary occupation.

The ADA recognizes the single most valuable asset in any dental practice is the dentist and their dental team. Optimal health and work-life balance are essential to the maintenance of the person(s) without whom the practice would cease to exist. In response, the Practice Institute will host a one-day conference on August 16, 2019. This year’s conference is open to all ADA members, their staff and family and state dentist well-being program directors in order to help associations assist their dentists by offering more objective means of recognizing early burnout warning.

Presentations will include:

- Keynote by Dr. Brett Kessler
- “Burnout” by Dr. James Willey
- “Perfectionism and Burnout in Dentistry: Are they Inevitable?” by Dr. William Claytor
- “Stress and “Burnout in Dentistry—WHO ME?” by Dr. Susan Cushing
- “Five Avoidable Pitfalls of Leadership” by Dr. David “Chip” Dodd, PhD.

Seven CEUs will be awarded to participants.

### **New Published Standards Addressing Practice Issues**

- *ANSI/ADA Standard No. 117, Fluoride Varnishes*
- *ANSI/ADA Standard No. 144 for Alloy for Dental Amalgam*
- *ADA Standard No. 167, Dental Unit Water Line Test Methods*
- *ADA Technical Report No. 1096 for Electronic Protected Health Information HIPAA Security Risk Analysis*

### **New Work Projects Addressing Practice Issues**

- *Proposed ANSI/ADA Standard No. 175 for Antimicrobial Oral Rinses*
- *Proposed ANSI/ADA Standard No. 177 for Central Suction Source Equipment for Dentistry*
- *Proposed ANSI/ADA Standard No. 179 for Shanks for Rotary and Oscillating Dental Instruments*
- *Proposed ANSI/ADA Standard No. 180 for Test Methods for Dental Rotary Instruments*
- *Proposed ANSI/ADA Standard No. 181 for Dental Rotary Bur Instruments - Part 1: Steel and Carbide Burs.*
- *Proposed ADA Standard No. 184 for Laser Welding and Filler Materials*

### **Participation in Other Standards Organizations**

#### Association for the Advancement of Medical Instrumentation

The Department of Standards continues to maintain the ADA liaison to the Association for the Advancement of Medical Instrumentation (AAMI), an ANSI accredited standards developer that is the primary source of standards for the medical device industry. There are AAMI working groups that address reprocessing instructions and validation methods of medical devices through standards and technical reports.

Dr. Fiona Collins, the ADA liaison to AAMI, attended the most recent meeting which took place in Baltimore in October 2018. Pertinent standards under review with ADA input are *TIR 30, A compendium of processes, materials, test methods, and acceptance criteria for cleaning reusable medical devices*; and *ST98, Cleaning Validation of health care products—Requirements for development and validation of a cleaning process for medical devices*. Continued participation in the TIR 30 working group, and in WG12, Instructions for Reusable Device Reprocessing, has provided valuable guidance to the ADA Standards Committee on Dental Products JW 6 in the development of *Proposed ADA Technical Report No. 168, Dentistry- Guidance on Method Development and Validation of Cleaning Processes for Dental Instruments*.

#### American Society of Heating, Refrigeration and Air Conditioning Engineers

The Department of Standards continues to maintain the ADA liaison to the American Society of Heating, Refrigeration, and Air Conditioning Engineers (ASHRAE). ASHRAE is an ANSI-accredited standards developer in areas such as ventilation, indoor air quality and water treatment, and infection control and diseases, including in healthcare and dental facilities.

Dr. Paul Supan, the ADA liaison to ASHRAE, attended the most recent meeting which took place in Atlanta in January 2019. Areas of recent interest include Legionellosis management, healthcare facilities water treatment, and healthcare facilities infection control and disease management.

The ADA's participation in *ASHRAE Standard 188-2018, Legionellosis: Risk Management for Building Water Systems* has given the ADA the opportunity to provide input into discussions dealing with Legionellosis. ASHRAE's working group on Standard 188 continues to hold policy discussions on how to make health care facilities vigilant about controlling the risk of water borne pathogen-related disease and death.

## Responses to House of Delegates Resolutions

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**Resolution Objective:** 4H-2018—Amendment of Policy, ADA Statement on Alcoholism and Other Substance Abuse Disorders

**4H-2018. Resolved**, that the ADA Statement on Alcoholism and Other Substance Use Disorders (*Trans.*2005:328) be amended as follows (additions are underscored; deletions are stricken):

1. The ADA recognizes that alcoholism and other substance use disorders are primary, chronic, and often progressive diseases that ultimately affect every aspect of health, including oral health.
2. The ADA recognizes the need for research on the oral health implications of chronic alcohol, tobacco and/or other drug use.
3. The ADA recognizes the need for research on substance use disorders and successful treatment protocols among dentists, dental and dental hygiene students, and dental team members.

and be it further

**Resolved**, the ADA encourages the states to create and maintain well-being programs that address substance use disorders as well as other mental and physical challenges that dentists might experience throughout their career.

and be it further

**Resolved**, the ADA encourages the states to maintain a list of volunteer dentists experienced with health and well-being challenges to provide support and make it available to dentists faced with like challenges.

**Outcome:** The Center for Dental Practice continues to work with State Dentist Well-Being Program directors to incorporate addiction and mental and physical health issues into their well-being programs.

**Resolution Objective:** 19H-2018—ADA Policy on Opioid Prescribing

### Continuing Education

**19H-2018. Resolved**, that the ADA supports mandatory continuing education (CE) in prescribing opioids and other controlled substances, with an emphasis on preventing drug overdoses, chemical dependency, and diversion. Any such mandatory CE requirements should:

1. Provide for continuing education credit that will be acceptable for both DEA registration and state dental board requirements,
2. Provide for coursework tailored to the specific needs of dentists and dental practice,
3. Include a phase-in period to allow affected dentists a reasonable period of time to reach compliance,

and be it further

### Dosage and Duration

**Resolved**, that the ADA supports statutory limits on opioid dosage and duration of no more than seven days for the treatment of acute pain, consistent with Centers for Disease Control and Prevention (CDC) evidence-based guidelines.

and be it further

**Resolved**, that the ADA supports improving the quality, integrity, and interoperability of state prescription drug monitoring programs.

**Outcome:** In response to the ADA's support of mandatory continuing education (CE), the Center for Dental Practice will offer four one-hour webinars on opioid misuse prevention topics delivering one CEU per webinar. The webinars are supported by Substance Abuse and Mental Health Services Administration (SAMHSA) Provider's Clinical Support System (PCSS) grant.

These webinars include:

- "The National Institute for Health Role in the Opioid Epidemic" by Wilson M. Compton, M.D., M.P.E, N.I.H, Dr. Martha J. Somerman, Ph.D. and Dr. Brad Rindal
- "Analgesic Prescribing in the Opioid Overdose Epidemic: A Milligram of Prevention is Better than a Pound of Rehabilitation" by Dr. Raymond Dionne, M.S., PhD.
- "Treatments and Dental Consideration by Patients with Opioid Use Disorder" by Dr. Paul Moore
- "Motivational Interviewing" presented by U.S. Centers for Disease Control and Prevention.

The continuing education project is on track to meet its 2019 goal of 1,600–2,400 webinar registrants with 80% of participants to respond satisfied or very satisfied with the webinar and 675 CEUs delivered.

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## Self-Assessment

In accordance with Resolution 41H-2018 (*Trans.*2013:339), the Council conducted a self-assessment based on the topic outline developed by the Board of Trustees. The process was undertaken by the Council's Policy and Emerging Issues Subcommittee with input by the Council members. It was the consensus of the Council that it supports the ADA Strategic Plan Members First 2020 and will support the ADA Strategic Plan 2025 Common Ground and should continue to exist as currently charged and structured. The Council is effective in carrying out its subject matter responsibilities in each of its areas of responsibilities as outlined in the *Bylaws* at the beginning of this report, and believes it is the most appropriate agency to complete these assignments. It does not believe that there should be any changes to its *Bylaws* at the present time. The Council is in agreement that it should continue its current subcommittee structure which is composed of the: Practice Management Subcommittee; Policy and Emerging Issues Subcommittee; Health, Wellness and Aging Subcommittee; Oversight and Technology Subcommittee. The recent Subcommittee restructure into four subcommittees has helped the Council to be more efficient and effective.

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## Policy Review

In accordance with Resolution 170H-2012 (*Trans.*2012:370), Regular Comprehensive Policy Review, the Council reviewed the following Association policies and determined they should be maintained.

Dentist Health and Well-being: Dental Schools to Provide Education to Dental Students on Drug and Alcohol Use and Misuse (*Trans.* 2014:453)  
 Dental Office Wastewater Policy (*Trans.* 2003:387)  
 ADA Action Plan on Amalgam in Dental Office Wastewater (*Trans.* 2002:422; 2007:441)

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## Council Minutes

For more information on recent activities, see the Council's [minutes](#) on ADA.org.

# Council on Ethics, Bylaws and Judicial Affairs

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Smith, James A., 2019, Oregon, chair  
 Kurkowski, Michael 2020, Minnesota, vice chair  
 Bailey, Meredith A., 2022, Massachusetts  
 Browder, Larry F., 2020, Alabama  
 Burns, Jill M., 2021, Indiana  
 Clark, Alma J., 2022, California  
 Cohen, Donald F., 2020, Texas  
 Compton, Lindsay M., 2019, Colorado\*  
 Cranford, William D., 2022, South Carolina  
 Griffin, Seth W., 2020, Michigan  
 Howley, Thomas A., Jr., 2019, Pennsylvania  
 Johnson, Jay A., 2022, Florida  
 Jonke, Guenter J., 2021, New York  
 Patel, Onika, 2021, Arizona  
 Patel, Vishruti, 2019, Illinois  
 Rice, M. Elwood, 2019, Missouri  
 Soileau, Kristi M., 2020, Louisiana  
 Wilson, Robert J., 2021, Maryland

Elliott, Thomas, C., Jr., director  
 Elster, Nanette, R., manager

The Council's 2018–19 liaisons include: Dr. Paul A. Leary (Board of Trustees, Second District) and Mr. Ryan Twaddle (American Student Dental Association).

## **Areas of Responsibility as Set Forth in the *Bylaws or Governance and Organizational Manual of the American Dental Association***

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As listed in Chapter VIII, Section K.6. of the *Governance and Organizational Manual of the American Dental Association*, the areas of responsibility of the Council on Ethics, Bylaws and Judicial Affairs are:

- a. Ethics and professionalism, including disciplinary matters relating thereto;
- b. The governing documents of this Association, including:
  - i. Review of the constitutions and bylaws of constituents and components to ensure consistency with the Association's *Bylaws*; and
  - ii. To correct punctuation, grammar, spelling and syntax, change names and gender references and delete moot material, and to correct article, chapter and section designations, punctuation, and cross references and to make such other technical and conforming revisions as may be necessary to reflect the intent of the House in connection with amendments to the Association's *Bylaws*, *Governance Manual*, *Manual of the House of Delegates*, *Principles of Ethics* and *Code of Professional Conduct* and *Current Policies* where such revisions do not alter the material's context or meaning upon the unanimous vote of the Council members present and voting; and
  - iii. To report to the House of Delegates any corrections made to the governing documents of the Association pursuant to subsection ii. of this section of the *Governance Manual*; and
- c. Hold hearings and render decisions in disputes arising between constituents or between a constituent and component.

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\* *New Dentist member.*



## **Advancing ADA Strategic Goals and Objectives: Agency Programs, Projects, Results and Success Measures**

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**Objective:** Increase member value and engagement.

**Initiative/Program:** Support member success by providing varied ethics programming.

**Success Measure:** Membership access to excellent ethics continuing education programming.

**Target:** Highly favorable participant evaluation of continuing education ethics programming and attendance at continuing education program(s).

**Range:** Favorable to highly favorable participant evaluation of continuing education ethics programming; registration of 50–100 for the continuing education course offered at the annual meeting.

**Outcome:** On target at time of submission. 119 attendees provided evaluations following the Council's continuing education course at ADA 2018 – America's Dental Meeting. A significant number of course evaluations indicated that all aspects of the presentation (content, presenters, topic) to be "excellent" or "above average."

During ADA 2018, the Council presented a two-hour continuing education course entitled "Primary Care: Ethical Considerations in Dentistry" which addressed topics including treating patients in hospice care, vaccination, improving access, and the overall role of dentists in primary care.

Other Council-sponsored continuing education programming included presentations at the Michigan Dental Association Annual Meeting and the University of Michigan School of Dentistry, Department of Periodontics and Oral Medicine.

The Council is preparing a one hour continuing education course entitled "Friend or Foe? Ethical Issue of Social Media and other Electronic Communication in Dentistry" for ADA 2019. Two continuing education course abstracts have been submitted by the Council for ADA 2020, one on ethical issues in disaster planning and preparedness and the other on the ethical issues that arise in treating minors.

**Objective:** Increase member value and engagement.

**Initiative/Program:** Support member success by providing communications that allow members to obtain advice on ethical questions in a very timely manner and to be responsive to suggestions regarding ADA *Code of Ethics* and the ADA *Bylaws and Constitution*.

**Success Measure:** Membership access to timely and topical advice concerning ethics questions that commonly arise and that is responsive to suggested changes to the ADA *Code of Ethics* and the ADA *Bylaws and Constitution*.

**Target:** Favorable use, response and evaluation to ethics column and thoughtful responses to suggestions for amendments to the ADA *Code of Ethics* and the ADA *Bylaws and Constitution*.

**Range:** Neutral to positive responses and feedback regarding published ethics material and proposals for amendment of the ADA *Code of Ethics* and/or the ADA *Constitution and Bylaws*, including adoption by the House of Delegates of resolutions recommending amendments to the ADA Code of Ethics and/or the ADA *Constitution and Bylaws*.

**Outcome:** On target at time of submission. With Ethical Moment and other published articles in *JADA* anecdotal feedback has been positive. Requests for changes to the ADA *Code of Ethics* and the ADA *Constitution and Bylaws* have been addressed.

Specific ADA *Code* and ADA *Bylaws* activity undertaken by the Council since the 2017 House of Delegates include:

**Ethical Advice Communications Vehicles:** The Council maintained a service, the Ethics Hotline, which members could utilize to discuss ethical issues with a member of the Council. Low uptake of the service was the metric used for determining if membership considered the service to be valuable. Infrequent use of the service resulted in the discontinuance of the program by the Council;

however, calls regarding ethical issues from members continue to be routed to Council staff and addressed.

The Council prepares a column for *JADA* entitled Ethical Moment. The topics covered are designed to be timely and topical and often receive favorable response from readers. The Council has also been working with another Council to jointly develop an Ethical Moment. Staff and members also draft articles for *JADA* when a topic deserves more in-depth treatment than an Ethical Moment article can provide.

**Student Ethics Video Contest:** The Council sponsors the student ethics video contest. The contest is designed to instill an awareness of the *ADA Code* and to provide an opportunity for students to consider ethical decision making as they prepare to start careers in dentistry. The contest creates greater awareness among pre-doctoral dental students of ethical situations that are encountered during the everyday practice of dentistry and provides a creative forum for students to consider how those situations should be addressed using the *ADA Code*. The Council awarded the contest grand prize to a team of students from the Touro College of Dental Medicine, while the honorable mention prize was awarded to the LSU School of Dentistry. The winning entries and those from the past several years are available for [viewing](#).

The entry period for the 2019 contest has opened and will close at the end of August 2019. Videos received will be assessed and the winning videos uploaded to the American Dental Association's [YouTube Channel](#).

**Development of Survey Instrument for District Reports:** In recent years getting feedback from states on reporting ethical and bylaws activities and issues has been problematic. The Council developed a survey tool to send to stakeholders that would be more streamlined and easier to complete. The survey was initially deployed in advance of the December 7–8, 2018 CEBJA meeting and responses were obtained from 11 states. 18 state responses were obtained in advance of the April 4–5, 2019 meeting.

**ADA Code Amendment: Request to Clarify Advisory Opinion 5.F.3 Unearned, Nonhealth Degrees of the ADA Code:** The Council had received a request to review Advisory Opinion 5.F.3 to ensure that the ethical concerns of practitioners announcing honorary and unearned degrees and degrees conferred in non-health related fields to the general public rather than to peers is adequately presented in the Advisory Opinion. The Council unanimously approved changing the term “unearned” to “non-accredited” or “unaccredited.”

**Revision of ADA Governing Documents:** Pursuant to Chapter VIII, Section K.6.b. of the *Governance and Organizational Manual of the American Dental Association*, the Council made grammatical and editorial corrections to the ADA's governing documents and made changes to conform the governing documents to reflect the intent of the House of Delegates as specified in resolutions adopted at the 2018 annual session of the House of Delegates. Pursuant to Chapter VIII, Section K.6.b.iii. of the *Governance and Organizational Manual of the American Dental Association*, the Council's report listing those changes follows this annual report as Appendix 1.

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## Emerging Issues and Trends

**Consideration of Ethical Issues Related to Vaccination:** Increasingly, families are refusing vaccination and thus the diseases such as mumps and measles are making a resurgence putting communities at risk as well as individuals at risk who may be immunocompromised or too old or too young to be vaccinated. Recent outbreaks have caused some healthcare professionals, including dentists, to consider whether they can ethically refuse to treat unvaccinated patients and if they do treat unvaccinated patients, how they can best protect those patients who may be immunocompromised. In response to the increase in the number of measles cases being reported, the Council issued a statement providing guidance on the ethical issues involved surrounding the measles outbreak and unvaccinated patients. Longer term, the Council committed to developing a white paper on the topic.

**Consideration of Ethical Issues Raised by Service Animals and Emotional Support Animals:** An

Ethical Moment will be published detailing the specific ethical considerations regarding service animals in the dental office. Emotional support animals in the dental office raised differing ethical considerations. To address these separate considerations, a companion Ethical Moment is in development. This Ethical Moment will address several ethical questions, including necessary office and staff accommodations, including staff objections; specific issues related to the dental care setting (e.g., rural, community health center, hospital, etc.); the ethics of refusing to see patients in need of an emotional support animal; and what can and cannot be required of a patient with an emotional support animal.

## Responses to House of Delegates Resolutions

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**Resolution Objective:** 21-2018. Amendment of Policy: Use of the Term “Specialty”

**21-2018. Resolved,** that the ADA Policy on Use of the Term “Specialty” (*Trans.*1957:360) be rescinded.

**Outcome:** A workgroup of members of the Council and the Council on Dental Education and Licensure (CDEL) was convened to study the policy in question. The workgroup found that, with recent revisions to the specialty recognition process and Section 5.H. of the *Code of Ethics*, the policy clearly is inaccurate. Rather than rescind the policy, however, the workgroup recommended that the policy be revised to reflect the current specialty recognition process and announcement requirement. Both the Council and CDEL agreed and in response to referral, the Council proposes that, rather than rescission, the Council will submit a resolution amending the policy to the 2019 House of Delegates.

## Self-Assessment

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In accordance with Resolution 41H-2019 the following is a summary of the Council’s self-assessment, including the relevance of current *Bylaws*. In terms of the value provided by the Council, its members see the Council as a foundational element of the Association, providing and maintaining (1) effective governance of the Association, and (2) a strong and relevant *Code of Ethics* that, in turn, assures that dentistry retains its stature as a profession and not a mere trade.

Because of the value that the Council believes it provides, there is a very strong belief among the Council members that the Council should continue to exist. The members of the Council believe that the Council is very efficiently run and extremely effective in managing and executing its duties and responsibilities, as exemplified by the recent overhaul of the *ADA Bylaws* and creation of the *Governance and Organizational Manual of the American Dental Association*, both of which were virtually unanimously adopted by the House of Delegates in 2017. For that reason, while there were a few suggestions for minor improvements, no fundamental changes to the structure or operation of the Council emerged from the self-assessment analyses provided by the Council members. Indeed, the Council members cautioned that fundamental changes could actually result in erosion of the effectiveness and the efficiency that the Council currently exhibits in performing its duties.

## Policy Review

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In accordance with Resolution 170H-2012, Regular Comprehensive Policy Review, the Council reviewed the Association policies related to the Dentist’s Pledge, Election of Delegates, and Patient Rights and Responsibilities.

The Council reviewed the following policies and determined that they should be maintained:

The Dentist’s Pledge (*Trans.*1991:598; 2014:479)  
 Election of Delegates (*Trans.*1979:646)  
 Patient Rights and Responsibilities (*Trans.*2009:477)

## **Council Minutes**

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For more information on recent activities, see the Council's [minutes](#) on ADA.org.

**APPENDIX 1**  
**GOVERNING DOCUMENT AMENDMENTS**

<b>Res. No.</b>	<b>Source</b>	<b>Location</b>	<b>Agency</b>
<b>Reference Committee A</b>			
56-2018	Gov. Manual, Ch. 1, § B.4.d.	Page 8, lines 277-78	Membership
<b>Reference Committee C</b>			
7-2018	Gov. Manual, Ch. VIII, § A.1.a.i.(a). Gov. Manual, Ch. VIII, § A.1.a.i.(b). Gov. Manual, Ch. VIII, § A.1.a.i.(c). Gov. Manual, Ch. VIII, § F.	Page 22, lines 690-91 Page 22, lines 695-97 Page 22, lines 705-06 Page 25, lines 805-07; 811-15	Education
14-2018	Gov. Manual, Ch. IX, § G.3.	Page 35, lines 1142-45	Education
16-2018	Gov. Manual, Ch. IX, § H. Gov. Manual, Ch. IX, § I.	Page 35, lines 1166-69; 1176-78 Page 35, lines 1179-84	Education
20-2018	Bylaws, Ch. V, § 80.M. Gov. Manual, Ch. XVII, last sentence	Page 11, lines 429-30 Page 59, lines 1920-21	Education
39-2018	Bylaws, Ch. IX, § 30.A.d. Gov. Manual, Ch. IX, § K.1.	Page 16, lines 646-47 Page 36, lines 1189-98	Education
40-2018	Bylaws, Ch. V, § 80.I. Gov. Manual, Ch. IX, §§ E.1.a. and b.	Page 10, lines 423-24 Pages 33-34, lines 1104-12; 1117-21	Education
42-2018	Bylaws, Ch. IX, § 30.A.e. Gov. Manual, Ch. IX, § L.	Page 16, lines 648-49 Appendix 3, page 36, lines 1205-06; 1213; 1216	Education
43-2018	Gov. Manual, Ch. IX, §§ B.1. and 2.	Page 32, lines 1058-66	Education

Res. No.	Source	Location	Agency
52-2018	Gov. Manual, Ch. VIII, § K.10.a.iii.	Page 29, lines 957-58	Science
<b>Reference Committee D</b>			
45-2018	Gov. Manual, Ch. VIII, § F, 2 <sup>nd</sup> ¶	Pages 25-26. lines 821-26	CEBJA
46-2018	Gov. Manual, Ch. I, § A.1.e. Gov. Manual, Ch. I, § A.2.d. Gov. Manual, Ch. I, § A.3.e. Gov. Manual, Ch. I, § A.5.e.	Page 2, lines 30-32 Page 2, lines 47-49 Page 3, lines 66-68 Page 4, lines 106-08	CEBJA
68-2018	Gov. Manual, Ch. VIII, §§ K.6.b.ii. and iii.	Page 28, lines 907; 911-25	CEBJA
54-2018	Bylaws, Ch. XIV, § 30.B.	Page 19, line 783	CEBJA
72-2018	Bylaws, Ch. III, § 10.D.2.	Page 5, lines 178-80	CEBJA
<b>Errata</b>			
--	Gov. Manual, Ch. I, § A.2.d. -- add dropped line to printed booklet version	Page 2, line 46	CEBJA

# Council on Government Affairs

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Armstrong, Craig S., 2019, Texas, chair  
 Fijal, Phillip J., 2020, Illinois, vice chair  
 Bishop, Deborah S., 2020, Alabama  
 Cheek, Daniel K., 2019, North Carolina  
 Cohlma, Matthew E., 2022, Oklahoma  
 Desrosiers, Mark B., 2020, Connecticut  
 Hisel, John Jr., 2022, Idaho  
 Harrison, Thomas, 2019, Texas\*\*  
 Kalarickal, Zacharias J., 2020, Florida  
 Knowles, Lisa, 2020, Michigan, *ad interim*\*\*\*  
 Medrano-Saldana, Lauro, 2019, New York  
 Messina, Matthew, 2021, Ohio  
 Nguyen, Robin M. 2020, Florida\*  
 Reitz, John V., 2021, Pennsylvania  
 Stanislav, Leon, 2022, Tennessee  
 Terlet, Ariane, 2019, California  
 Vitale, Mark A., 2022, New Jersey  
 White, David M., 2021, Nevada  
 Willett, Emily S., 2021, Nebraska

Yaghoubi, Roxanne, interim director  
 Burns, Robert J., manager

The Council's 2018–19 liaisons include: Dr. Daniel Klemmedson (Board of Trustees, Fourteenth District), Dr. Richard P. Herman (Council on Advocacy for Access and Prevention), Ms. Janette P. Sonnenberg (Alliance of the American Dental Association), and Ms. Lauren Yap (American Student Dental Association).

## **Areas of Responsibility as Set Forth in the *Bylaws or Governance and Organizational Manual of the American Dental Association***

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As listed in Chapter VIII. Section K.7. of the *ADA Governance and Organizational Manual*, the areas of subject matter responsibility of the Council shall be:

- a. Encourage the improvement of the health of the public and to promote the art and science of dentistry in matters of legislation and regulations by appropriate activities;
- b. Formulate and recommend legislation, regulatory activity, policies and governmental programs relating to dentistry and oral health for submission to Congress;
- c. Serve and assist as liaison with those agencies of the federal government which employ dental personnel or have dental care programs, and formulate policies which are designed to advance the professional status of federally employed dentists; and
- d. Disseminate information which will assist the constituents and components involving legislation and regulation affecting the dental health of the public.

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\* *New Dentist member*

\*\* *ADPAC chair without the power to vote.*

\*\*\* *Replaced Hennessy, Rhonda H., 2020, Michigan*

## **Advancing ADA Strategic Goals and Objectives: Agency Programs, Projects, Results and Success Measures**

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**Objective:** The public will recognize the ADA and its members as leaders and advocates in oral health.

**Initiative/Program:** Advocacy for Science, Education, Appropriations, Wellness Issues.

**Success Measure:** Increase appropriations in dental programs and prevail on ADA's non-appropriations positions.

**Target:** 4% increase in federal fiscal funding over the same period in 2018.

**Range:** 3–5% increase in federal fiscal funding over the same period in 2019.

**Outcome:** Federal fiscal year 2019 funding levels were increased across the board for oral health programs by approximately 4% (\$28 million) over the same period in 2018.

- Centers for Disease Control and Prevention (CDC) oral health programs: \$19 million.
- Health Resources and Services Administration (HRSA) oral health training programs: \$40 million (\$4 million increase from FY18).
- Area Health Education Centers: \$39 million (\$1 million increase from FY18).
- National Institutes of Dental and Craniofacial Research (NIDCR): \$461 million (\$14 million increase from FY18).
- Indian Health Service oral health programs: \$204 million (\$9 million increase from FY18).
- Military Dental Research: \$10 million.

**ADA submitted testimony for Oral Health Funding:** On April 8, the ADA submitted testimony for the record to the House Appropriations Subcommittee on Labor, Health and Human Services, Education and Related Agencies to request oral health funding for FY20. The ADA's FY20 requests includes: \$25 million for the CDC's Division of Oral Health; \$40 million for HRSA's oral health training programs, including \$12 million each for general and pediatric dental residency programs; \$492 million for NIDCR.

Additional FY20 requests include \$10 million for Military Dental Research and \$225 million for Indian Health Service oral health programs. At the time of this report (May 20), federal funding levels for FY20 have not been established. Appropriators are expected to mark up spending bills before the end of the month in an effort to have all spending bills to the House floor in June.

**Student Loan Debt/Higher Education:** The ADA continues to advocate in Congress for student debt relief. Priorities for the ADA include protecting the Direct Unsubsidized Stafford Loan and Grad PLUS loan programs for graduate and professional degree students; lowering administrative fees and simplifying the federal graduate loan application process; removing barriers to the Public Service Loan Forgiveness program, among others. Congress needs to reauthorize the Higher Education Act, which provides the statutory authority for most federal student loan programs to operate. The ADA shared its principles during the 2019 ADA Dentist and Student Lobby Day (See [ADA News](#) article) and advocated for the following:

- H.R. 1554, the Resident Education Deferred Interest Act (REDI), would provide interest-free deferment on student loans for borrowers serving in a dental or medical internship or residency program.
- H.R. 2186, the Student Loan Refinancing Act, would allow individuals to refinance federal direct loans whenever interest rates are lower.
- H.R. 1899, the Student Loan Refinancing and Recalculation Act, would lower interest rates, eliminate certain borrowing fees and allow interest-free deferment until after completing a dental or medical internship or residency program.



**Objective:** The public will recognize the ADA and its members as leaders and advocates in oral health.

**Initiative/Program:** Advocacy for Access, Dental Coverage Issues

**Success Measure:** Passing Dental Health Access bills and prevail on ADA's positions.

**Target:** One bill enacted into law.

**Range:** One bill enacted into law.

**Outcome:** The Action for Dental Health Act of 2017 was signed into law on December 11, 2018. The bill, introduced by Rep. Robin Kelly, D-IL, and Rep. Mike Simpson, R-ID, will allow organizations to qualify for oral health grants to fund activities that support oral health education and dental disease prevention. It will also allow groups to develop and expand outreach programs that facilitate establishing dental homes for children and adults, including the aged, blind and disabled (See [ADA News](#) article). 2019 is focused on the implementation phase of the law, education of state dental associations and other related entities, increasing appropriations for FY20 for both the Centers for Disease Control and Prevention and the Health Resources and Services Administration. The ADA will continue to focus on increasing grant opportunities and educating state dental associations on how to take advantage of opportunities in the future.

Access Issues: The ADA will continue to advocate for access and coverage priorities in the 116th Congress. As the first year of the two-year session moves forward, it is expected that Congress will continue to explore policies and opportunities to work with the Indian Health Service to create a centralized credentialing system that will assist in streamlining the current process and allow for more timely filling of dental vacancies. Legislation was introduced in both the House and Senate in the 115th Congress but was not enacted.

The ADA supports H.R. 1379/S. 560, the Ensuring Lasting Smiles Act (ELSA). The bills would require all private group and individual health plans to cover medically necessary services resulting from a congenital anomaly or birth defect. This includes inpatient and outpatient care and reconstructive services and procedures, as well as adjunctive dental, orthodontic, or prosthodontic support.

**Objective:** The public will recognize the ADA and its members as leaders and advocates in oral health.

**Initiative/Program:** Advocacy for Dental Practice, Federal Dental Services Issues.

**Success Measure:** Prevail on ADA's positions.

**Target:** One bill passed.

**Range:** Two bills introduced.

**Outcome:** At the time of this report (May 20) Congress continues to introduce legislation in the 116th Congress. As this is the first year of a two-year Congressional session, the outcome of the ADA's work on these bills is not yet fully known.

- McCarran-Ferguson Reform: Legislation that would reform the McCarran-Ferguson Act to empower the Federal Trade Commission and the U.S. Department of Justice to enforce the full range of federal antitrust laws against health insurance companies engaged in anticompetitive conduct has been introduced. It is the first time legislation has been introduced in both chambers in the first year of a two-year session. H.R. 1418 and S.350 would repeal the limited antitrust exemption for health insurance companies and help inject more competition into the insurance

marketplace by authorizing greater federal antitrust enforcement in instances where state regulators fail to or cannot act. The bills were one of the key advocacy issues for the 2019 Dentists and Student Lobby Day (See [ADA News](#) article).

- **U.S. - Mexico Tourism:** The ADA has expressed opposition to H.R. 951, the U.S. - Mexico Tourism Improvement Act. The bill, sponsored by Rep. Henry Cuellar (D-TX), directs the Secretary of State to develop a strategy to expand bilateral tourism through cooperation with Mexico, including examining the feasibility of creating a framework for expanding dental tourism between the two countries. As of the writing of this report (May 20), no Mexican dental education programs have received accreditation from the Council on Dental Accreditation (CODA). The ADA has expressed concern that patient safety cannot be guaranteed without CODA accreditation in the facilities and has requested that dentistry be removed from the bill.
- **Medical Device Tax:** The ADA continues to advocate for the repeal of the 2.3% excise tax on medical devices that was included in the Affordable Care Act. The ADA supports H.R. 2207/S.692, the Protect Medical Innovation Act, which would permanently repeal the medical device tax. The tax is set to permanently go into effect at the end of 2019 (See [ADA News](#) article).
- **Opioids:** The ADA remains engaged on efforts by the Department of Health and Human Services to address opioid-related matters. Comments were submitted to the Department's Pain Management Best Practices Interagency Task Force in response to the task force's draft report. The ADA supported the draft report and requested that the acute pain management needs of adolescents and young adults be addressed as a special population. ADA president Dr. Jeffrey Cole is scheduled to participate in the National Institute of Health's Pain Consortium symposium on May 30.

**Objective:** Increase member value and engagement and external branding.

**Initiative/Program:** American Dental Political Action Committee (ADPAC) Administration

**Success Measure:** Growth in ADPAC membership over the same period in 2018.

**Outcome:** Objective not met. ADPAC membership has not grown, but is holding steady. ADPAC will engage in a lapsed donor campaign, educational campaign, and a solicitation campaign before ADA FDI World Dental Congress 2019. ADPAC will engage in a campaign to increase contributions to the Political Education Fund. There are currently five ADA member dentists serving in Congress: Reps. Mike Simpson, D.M.D. (R-ID); Paul Gosar, D.D.S. (R-AZ); Brian Babin, D.D.S. (R-TX); Drew Ferguson, D.M.D. (R-GA); and Jeff Van Drew, D.M.D. (D-NJ).

ADPAC hosted a successful 2019 Dentist and Student Lobby Day April 14–16 in Washington, D.C. with over 1,000 attendees. In October 2018, ADPAC launched Tooth Talk, a bimonthly podcast series with over 900 downloads per month designed to keep dentists and dental professionals updated on legislative, regulatory and grassroots activities in Washington, D.C. (See [ADA News](#) story).

## Emerging Issues and Trends

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**Federal Issues:** At the time of this report (May 20), Congress is five months into the 116th session (2019–2020). The ADA continues to work with Congress on its legislative agenda and the introduction of previous priorities. Such legislation includes addressing non-covered services at the federal level; streamlining credentialing in the Indian Health Service; increasing access to oral health for underserved populations; among others.

- **Medicare:** Members in both the House and Senate have introduced legislation to create a dental benefit in Medicare and a comprehensive Medicare for All bill has been introduced in the U.S.

House of Representatives. On April 30 the House Rules Committee held a hearing on the legislation, H.R. 1384, sponsored by Rep. Pramila Jayapal (D-WA). The hearing focused on the cost of health care and the concept of expanding Medicare to increase access to health coverage. Sen. Bernie Sanders (D-VT) is the sponsor of the companion bill, S. 1129. Medicare and health care costs will continue to be a focus of the 116th Congress and it is expected that health care will become a primary issue for the 2020 presidential election. As of the writing of this report, 20 individuals have announced their candidacy for the Democratic nomination for president.

### Regulatory Activity:

- **Medicare:** A multi-stakeholder group has engaged with the Centers for Medicare and Medicaid Services (CMS) to seek a national coverage determination that would allow Medicare to provide coverage for medically necessary dental services. During the February 2019 Council meeting, the Council engaged in a discussion focused on existing ADA policy and the definition of medically necessary dental services within the context of Medicare. The discussion focused on the **Elimination of Disparities in Coverage for Dental Procedures Provided under Medicare** (*Trans.*1993:705). The Council did not propose altering the existing policy but approved a position that was communicated to the multi-stakeholder group, affirming the ADA's commitment to advocacy and the willingness of the Association to remain engaged and supportive if advocacy efforts are clearly focused and limited to coverage of medically essential dental care (See *Council minutes*).
- **Health Care Reform and Medicaid:** Congress has shifted its focus away from repealing the Affordable Care Act (ACA) but agency activity within the Department of Health and Human Services has increased. CMS, which oversees the Medicare, Medicaid and Children's Health Insurance Programs, has had an active regulatory agenda. Throughout 2018 and in the first two quarters of 2019, CMS has approved a number of state plan amendments that would alter eligibility and benefits in Medicaid. These include seven Medicaid waivers that require non-pregnant adults to complete work requirements in order to access health benefits in Medicaid; approved waivers that implement additional requirements for certain Medicaid enrollees such as using flexible spending type accounts for certain health care services, additional cost-sharing and wellness participation; and permitted changes to benefit offerings for non-pregnant adults.
- In 2018, the Department of Labor (DOL) approved a final rule that made changes to requirements that permit association health plans to be considered a single multi-employer plan under the Employee Retirement Income Security Act (ERISA) and included nondiscrimination protections that prohibit health status as a rating factor. The rule went into full effect January 1, 2019. The DOL has also permitted states to offer short-term health plans in lieu of ACA compliant health plans that include the range of essential health benefits. The Administration is focused on increasing affordability and coverage outside of the ACA by allowing additional health coverage options to be offered in states.

It is expected that CMS will issue guidance in 2019 that will address state flexibility for funding Medicaid, including an option to block grant the program. Currently, federal funding for Medicaid utilizes the federal medical assistance percentage formula to determine the amount each program receives. A block grant would cap the amount of federal funding states receive for their Medicaid program or for populations within the program. ADA policy, Advocate for Adequate Funding under Medicaid Block Grants (*Trans.*2011:498; 2014:499) opposes block grant proposals in the event adequate funding and safeguards cannot be assured to provide comprehensive oral health care to underserved children and adults.

### State Issues:

**Third-Party Issues:** At the time of this report (May 20), a number of state legislatures have addressed third-party payer issues, including:

- Nine states are pursuing legislation that would address mandates for oral health coverage, including anesthesia and hospital charges.
- Six states are pursuing non-covered services legislation.
- Six are pursuing provider network leasing legislation.
- Six are pursuing legislation to address virtual credit card bills.
- Five are pursuing prior authorization payment guarantee legislation.
- Four are pursuing assignment of benefits legislation.
- Three are pursuing in-office dental plan contract issues.
- Two are pursuing ERISA notice requirements on patient identification cards.

Provider leasing legislation, limiting network leasing arrangements, was enacted in Virginia and Arizona. West Virginia enacted non-covered services legislation and Idaho enacted a bill that amends existing law to limit insurers' ability to set fees for services when a patient exceeds twice the established annual limit.

**Workforce:** Legislation recently enacted in New Mexico will allow dental therapists to practice in limited settings in that state. The new law requires dental therapists to be licensed hygienists and graduate from a CODA-accredited dental therapy program. It also requires they complete a post graduate clinical experience and it further restricts their practice to federally qualified health centers, community clinics, designated tribal 628 clinics, nursing homes and homebound settings. Idaho's new law will require graduation from a CODA-accredited dental therapy program, passage of a competency exam and completion of 500 hours of clinical practice under the direct supervision of a dentist. At the time of this report (May 20) Montana passed legislation that would allow dental health aid therapists (DHATs) to be reimbursed through the state's Medicaid program for preventive procedures. It is expected the bill will be signed into law.

**Medicaid:** At the time of this report, 26 bills in 13 states have been introduced that would extend dental care to adults and/or pregnant women enrolled in Medicaid. Utah enacted a bill that extends coverage to Medicaid enrollees over age 65 with the University of Utah Dental School covering the reimbursement rate for the new population. Tennessee has passed legislation to direct the state to apply for a waiver with CMS that would block grant its Medicaid program. It is expected the bill will be signed into law.

## **Responses to House of Delegates Resolutions**

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**Resolution Objective:** 81H-2018. Dental Benefits in a Child Support Order

**81H-2018. Resolved,** that the American Dental Association pursue federal legislative or regulatory efforts to require dental support in child custody orders as a child support obligation, like medical support, and be it further

**Resolved,** that constituent societies of the American Dental Association be urged to pursue individual state or regulatory efforts to require dental support in child custody orders as a child support obligation.

**Initiative/Program:** Advocacy for Dental Access/Coverage Issues

**Success Measure:** Progress communicated to the 2019 House of Delegates.

**Target:** N/A

**Range:** N/A

**Outcome:** The Council directed staff to determine the appropriate avenue to achieve an outcome that will require dental support as part of child custody orders. At the time of this report (May 20) the 116th Congress is in the first year of a two-year session. It was determined that addressing a definition change

through legislation may result in a more favorable outcome as opposed to regulatory action. A final rule on the Deficit Reduction Act of 2006, finalized in 2008, includes dental policies in the definition of “other type under which medical services” can be provided and count as medical support provided for purposes of the Office of Child Support Enforcement. The final rule encourages state innovation and experimentation and flexibility for states to define comprehensive health care coverage. The ADA will seek the introduction of legislation to change the definition of medical support to include dental support in the 116th Congress.

### **Self-Assessment**

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The Council is next scheduled to conduct a self-assessment in 2020.

### **Policy Review**

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In accordance with Resolution 170H-2012, Reaffirming Existing ADA Policy, the Council concluded a comprehensive review of its policies in 2016 and is not presenting any policies for review at the time of this report (May 20).

### **Council Minutes**

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For more information on recent activities, see the Council’s [minutes](#) on ADA.org.

# Council on Members Insurance and Retirement Programs

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Ellison, Naomi L., 2019, California, chair  
 Johnston, Jon J., 2020, Pennsylvania, vice chair  
 Ahern, John P., 2021, New Hampshire  
 Jacob, Bert J., 2021, Ohio  
 Jolly, Robert L., Sr., 2019, Arkansas  
 Kido, Scott H., 2020, Idaho  
 Kilcollin, Katherine Leach, 2019, West Virginia  
 Luquis-Aponte, Wilma, 2021, Texas  
 Matin, Britany F., 2019, Alabama\*  
 Olenyn, Paul T., 2021, Virginia  
 Pirmann, Peter J., 2019, Illinois  
 Sokolowski, Joseph E., 2021, Missouri  
 Sterritt, Frederic C., 2020, New Jersey  
 Thompson, Michael R., 2021, Arizona  
 Tota, Christopher M., 2020, New York  
 White, Cecil, Jr., 2020, Florida  
 Wood, C. Rieger, III, 2021, Oklahoma

Tiernan, Rita, senior manager

The Council's 2018–19 liaisons include: Dr. Richard A. Huot (Board of Trustees, first vice president) and Ms. Lindsey Janof (American Student Dental Association).

## **Areas of Responsibility as Set Forth in the *Bylaws or Governance and Organizational Manual of the American Dental Association***

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As listed in Chapter VIII, Section K.8. of the *ADA Governance and Organizational Manual*, the areas of subject matter responsibility of the Council shall be:

- a. Insurance and retirement plan products and resources; and
- b. Risk management education programs and resources.

## **Advancing ADA Strategic Goals and Objectives: Agency Programs, Projects, Results and Success Measures**

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**Objective:** The ADA member's insurance and retirement plans are uniquely designed to enhance the value of ADA membership across all segments in support of member recruitment and retention and non-dues revenue goals. Through its oversight of the ADA plans, the Council aligns with and contributes to the advancement of the ADA Common Ground 2025 goals of fiscal responsibility and the safeguarding of membership assets.

**Initiative/Programs:** ADA Members Group Insurance Plans, underwritten and administered by Great-West Financial; ADA Members Retirement Programs, administered by AXA Equitable; ADA Health Insurance Exchange web portal, powered by JLBG Health, Inc., and development of insurance and financial risk management educational resources to help members succeed in managing exposure to risk.

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\* *New Dentist member*

**Success Measure:** Increase member engagement and utilization of the ADA member's insurance and retirement programs and risk management resources as defined by growth in plan participation, total assets under management, non-dues revenue and ADA plan royalties. In addition, periodic audits and benchmarking studies help validate the competitive cost value and financial stability of the plans in the interests of the membership.

**Target:** 2019 revenue forecast is estimated to generate \$7 million in total royalties, service income and other non-dues revenue in support of the ADA financial goals.

**Range:** \$6 to 8 million in total non-dues revenue, service income and royalties from Great-West Financial, AXA Equitable and JLBG Health, Inc. endorsed programs.

**Outcome:** On track to meet target goals with \$6.5 million total paid to ADA in royalties and service income as of second quarter 2019.

**ADA Members Group Insurance Plans:** The ADA Members Group Insurance Plans ("ADA Plans") products portfolio consists of seven group plans underwritten by Great-West Financial including the 1) Annually Renewable Term Life, 2) Level Term Life, 3) Universal Life, 4) Disability Income Protection, 5) Office Overhead Expense, 6) Hospital Indemnity with an optional Extended Care Rider and 7) Critical Illness Insurance Plans. These two supplemental medical plans replace the MedCASH Plan which remains in effect only for existing certificate holders. In addition, the Student Life and Disability Insurance Plans are provided on a guaranteed issue basis at no-cost to ADA student members while completing their dental education (D1-D4), including any residency post-doc program.

Table 1 provides total participation by plan as of December 31, 2018.

**Table 1. ADA Members Group Insurance Plans Participation as of December 31, 2018**

ADA MEMBERS GROUP INSURANCE PLANS	EOY 2016	EOY 2017	EOY 2018
Term Life (Members)	48,053	45,457	43,880
Spouses	17,056	16,040	15,115
Dependent Children <sup>1</sup>	6,664	6,248	5,879
Student Members <i>No-Cost</i> Term Life	14,525	15,460	14,513
Universal Life	1,244	1,209	1,168
Level Term Life (Members)	729	978	1,100
Spouses	164	209	244
Dependent Children <sup>1</sup>	73	104	109
Disability Income Protection	15,462	15,032	14,215
Student Members <i>No-Cost</i> Disability	13,816	13,229	13,380
Office Overhead Expense	7,782	7,624	7,124
MedCASH (Members & Dependents)	6,131	5,388	4,908
Hospital Indemnity (Members & Dependents)	82	244	301
Critical Illness (Members & Dependents)	76	219	318
<b>Total Aggregate Participation in All Plans</b>	<b>131,857</b>	<b>127,441</b>	<b>122,254</b>

<sup>1</sup> Number of members insuring dependent children.

Despite newly designed and aggressive marketing campaigns to promote member value and the strong competitive advantages of the ADA Plans, this was a year of growth challenges for Great-West Financial with a 3.9% drop in overall participation as shown in Table 1. Although due to the timing of this report, it will be necessary to make an adjustment to reconcile auto-enrollment for the 2018–19 incoming class of students, it will not likely have any material impact on the year-end result. The persistent decline in total participation in recent years closely resembles the ADA membership trends and emphasizes the need for higher conversions to active membership and sustained future growth in key market and age segments.

The attrition factors which contributed to voluntary lapses and terminations in the Term Life, Disability and MedCash Plans include 1) the aging of baby boomer participants out of the Plans, 2) members who no longer need insurance having retired and/or achieved financial security, and 3) members seeking life product options for wealth transfer or estate planning purposes. Although less visible, the aggregate decline in participation also reflects nearly 1,300 spouses and/or children who were covered by a member who lapsed in one or more of the Plans. In addition, post-graduates who chose not to convert to active membership following the expiration of the dues discount years and no-cost student life and disability benefits further compounds the net loss. Last year, Great-West Financial initiated an outbound calling program during renewal bill cycles which helped retain 16% of the members who were at risk of lapsing, but more is needed to reverse these declining trend. Similarly, a new telemarketing effort was tested and marginally successful in increasing new graduate conversions by 3% over the prior year.

Notwithstanding the challenges of association membership trends and an increasingly competitive insurance market, it is important to recognize that the ADA Plans have withstood the test of time for 85 years and remain solid financially as one of the most valued benefits of national membership insuring nearly 90,000 members and their families across all plans. This includes over 51,000 dentist members and approximately 14,500 student members who participate in one or more plans. In alignment with the new ADA Common Ground 2025 that will go into effect January 1, 2020, the Council is confident that the ADA Plans are well positioned to contribute to the membership growth and financial goals in the years ahead.

Key initiatives in support of member retention in 2018–19 included direct-mail marketing of new higher term life coverage limits for spouses and dependent children. In addition, recruitment campaigns and outreach efforts to collaborate with local and state dental societies helped heighten awareness of the broader ADA portfolio of group product options and the cost/benefit incentives used to increase student conversions, attract new ADA members and drive organic new sales. As of December 31, 2018, these targeted marketing efforts were successful in generating a total of 1,636 new members and first-time buyers to the ADA.

Additionally, Great-West Financial's enhanced digital marketing and communications with dental students, their presence on dental school campuses and collaborative efforts with the American Student Dental Association (ASDA) chapter leaders through sponsorship of its annual Wellness Program helps foster engagement with dental students and faculty leaders to promote the ADA no-cost student life and disability benefits of membership. As of year-end 2018, nearly half of all eligible dental schools now participate in the Dental School Insurance Auto-Enrollment Program which ensures that all registered ADA student members receive the life and disability coverage at no cost to them while completing their dental education, including residency. It also provides an incentive for conversion to the ADA Plans following graduation which helps "fill the pipeline" of new dentist members.

From a member's perspective, the ADA Plans continue to provide a "best-in-class" value proposition for ADA members who choose to participate. Great-West actuaries confirmed through its benchmarking analysis that the ADA group plans offer a competitive price advantage over individual policies sold by competing carriers in the broader retail market. The inherent cost savings of the ADA experience-rated group plan models reflect lower expense ratios and no agent or broker commissions. Price illustrative marketing by Great-West Financial to promote the competitive group cost savings helps heighten



awareness of the benefits of membership and offers a compelling reason to consider newly joining or renewal which directly aligns with ADA membership growth goals.

**2019 Product Development & Plan Enhancements:** New in 2019 is the anticipated launch of new neonatal mortality life benefits and enhanced dependent child coverage under the ADA Term Life and Level Term Life Insurance Plans underwritten by Great-West Financial to help attract new dentists and address the increasing shift in the dental graduate demographic between males and females. More specifically, these benefit enhancements designed with an emphasis on families leveraged the opportunity to set the ADA Plans apart and lead the market in the unique offering of \$15,000 in neonatal mortality life benefits from birth and covering each dependent child to the attained age of 27 if a full-time student. With a focus member cost value, these new optional benefits are strongly competitive at \$28 per year, per family, which insures all eligible children.

In addition this year, the ADA Plans portfolio will expand to include a single premium universal life product (SPUL) which is designed for estate planning and wealth transfer purposes. This new niche product will diversify and increase the competitiveness of the ADA Plans portfolio to help attract new buyers in this market segment and retain existing members who may be lapsing their term life coverage for this type of product.

**ADA-endorsed Members Retirement Program:** The ADA-endorsed Members Retirement Program (ADA Program), administered by AXA Equitable Insurance Company (AXA), offers competitive retirement plan design options for dentist practice owners including four types of 401(k) plans (i.e., Safe Harbor, Traditional, Simple and Owners only), New Comparability Plans, defined contribution pension and profit-sharing plans. 401(k) plans currently represent 90% of all product sales with Safe Harbor being the most commonly requested.

The ADA Program design includes AXA's comprehensive service platform which provides full recordkeeping and plan administration services to dentist employer and employee participants at competitive fees. The broad range of service includes maintaining the tax-qualified status of the IRS-approved plan offerings, discrimination testing, 5500 form filings, transaction processing and contemporary web tools and resources to manage plan participant contributions and allocation of funds.

AXA Funds Management Group manages the investment fund portfolios under the ADA Program. ADA retains an outside consultant to annually review the Program structure, fees and fund performance as measured against applicable benchmarks and industry trends. This helps ensure that ADA's endorsement of the AXA brand products and service platform continues to offer a market competitive option for members and employees who elect to participate.

The Program celebrated its 50th anniversary in 2018 since first being introduced as a benefit of membership for new dentist practice owners and employees. With the evolution of time, the Program's aging trends have negatively contributed to a steady decline in the number of active plans and participants. Despite a 19% rise in the number of retirees taking plan distributions in 2018, Table 2 shows a slight net gain resulting from the offset of newly established plans. AXA is cautiously optimistic that this slow recovery improves the outlook for growth in 2019–20.

**Table 2. ADA Members Retirement Program Participation**

	<b>2016</b>	<b>2017</b>	<b>2018</b>
Number of Sponsored Plans	2,929	2,581	2,607
Number of Dentist Members and Employee Participants	12,342	11,741	11,838

To address the needs of members and employees who are at or approaching retirement and have maximized their contributions, preserve existing accounts and grow new business takeovers, the AXA portfolio also includes a comprehensive suite of fixed indexed and customizable variable annuities. These AXA product options marketed under ADA's endorsement include the 1) Structured Capital Strategies, 2) Retirement Cornerstone, 3) Investment Edge and 4) Retirement Gateway Association (RGA) designed to attract large plans with assets over \$500,000.

Targeted marketing efforts to increase brand awareness and promote the competitive pricing and customizable features of the RGA has helped boost sales. As of year-end 2018, the product continues to build value in the overall portfolio by attracting new participants and helping to conserve existing accounts. Total participants as of December 31, 2018, are 165 with \$28.8 million in assets under management.

The Structured Capital Strategies, Retirement Cornerstone and Investment Edge individual annuity products are more difficult to sell through direct-mail marketing but have helped increase assets under management by nearly \$500,000. These investment options are important to the overall sales strategy for future growth and diversification of the ADA-endorsed AXA portfolio.

**Individual Retirement Accounts:** ADA also endorses the AXA 300+ Series Individual Retirement Account (300+ Series IRA) which has 1,410 plan participants as of December 31, 2018 compared to 1,422 last year. The slight decline in participation reflects retiree distributions and the fact that the 300+ Series IRA is no longer available to new accounts. For 2019, AXA is offering the Equivest Individual Retirement Account products, including SEP (Simplified Employee Pension) and SIMPLE (Savings Incentive Match Plan for Employees) IRA plan types.

**New Product Development & Marketing Initiatives:** The May 2018 launch of new lower cost Vanguard fixed indexed funds and AXA's 1290 Target Date mutual fund series are meeting AXA's intended marketing goals by generating positive leads and member engagement. The Vanguard funds helped improve the overall competitive position of the Program in the retail market and the 1290 Target Date funds were ranked at the top of their peer group by Morningstar which further heightened brand awareness. AXA leverages these new product options to strengthen marketing communications and reinforce member value messaging in alignment with the ADA Strategic Plan goals.

Some of the challenges impacting future growth is the declining membership trend, changes in the dental practice model and regulatory market conditions. In addition, Internet buying habits and digital technology are diminishing the value of the Program's direct-mail marketing model in a fiercely competitive and crowded marketplace which tends to favor consultative sales. For 2019, AXA is committed to identify innovative and strategic solutions to ensure the Program brand remains relevant and competitive in the broader market as a viable option for ADA members.

As of Q1 2019, the Program has over \$1.5 billion in assets under management and generates approximately \$500,000 per year in service income in support of the ADA Strategic Plan goals.

**ADAHealthExchange.com Web Resource:** The ADA-endorsed JLBG Health, Inc. web portal ([ADAHealthExchange.com](http://ADAHealthExchange.com)) continues to offer member value as a national resource for members and their employees to navigate the health insurance exchange marketplace and plan options in each state, including programs endorsed by the local and state dental societies. ADA royalty revenue for its endorsement of the web portal is minimal totaling approximately \$4,700 to date from the 2018–19 open enrollment.

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### Emerging Issues and Trends

The Council is not aware of any new, significant trends or emerging issues not already being addressed by the Council.

### **Responses to House of Delegates Resolutions**

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There were no House of Delegates resolutions directed at the Council in 2018.

### **Policy Review**

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The Council did not have any policies to review in accord with Resolution 170H-2012, Regular Comprehensive Policy Review.

### **Self-Assessment**

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The Council is next scheduled to conduct a self-assessment in 2021.

### **Council Minutes**

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For more information on recent activities, see the Council's [minutes](#) on ADA.org.

# Council on Membership

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Irani, Karin, 2019, California, chair  
 Freedman, I. Jay, 2020, Pennsylvania, vice chair  
 Berg, Tamera S., 2022, Oklahoma  
 Blew, Bryan C., 2021, Illinois  
 Bogan, Kyle D., 2022, Ohio  
 Chatterjee Kirk, Pia, 2020, Mississippi  
 Czerniak, Lauren M., 2019, Ohio\*  
 Eggnatz, Michael D., 2022, Florida  
 Hanlon, Mary Jane, 2020, Maine  
 Kahl, Jeffrey A., 2021, Colorado  
 Kampfe, Mark I., 2020, South Dakota  
 Ketron, Summer C., 2021, Texas  
 Mutschler, Mark D., 2022, Oregon  
 Patel, Meenal H., 2019, North Carolina  
 Riordan, Danielle, M., 2020, Missouri  
 Skolnick, Jay, 2021, New York  
 Tigani, Stephen P., 2019, Washington D.C.  
 Vitek-Hitchcock, Alexa M., 2019, Michigan

Bronson, Elizabeth M., senior manager

The Council's 2018–19 liaisons include: Dr. Julio H. Rodriguez (Board of Trustees, Ninth District) and Ms. Kathleen Gonzalez (American Student Dental Association).

## **Areas of Responsibility as Set Forth in the *Bylaws or Governance and Organizational Manual of the American Dental Association***

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As listed in Chapter VIII, Section K.9. of the ADA *Governance and Organizational Manual*, the areas of responsibility for the Council shall be:

- a. Membership recruitment and retention and related issues;
- b. Monitor and provide support and assistance for the membership activities of constituents and components; and
- c. Membership benefits and services.

## **Advancing ADA Strategic Goals and Objectives: Agency Programs, Projects, Results and Success Measures**

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**Objective 2:** Achieve a net increase of 4,000 active licensed members by the end of 2019.

**Initiative/Program:** New/Reinstated Member Acquisition Campaigns.

**Success Measure:** Increased membership among dentists who were not members in the prior year.

**Target:** 3,000 new or reinstated members at the end of June 2019; 6,000 new or reinstated members at the end of 2019.

**Range:** 2,700–3,300 at the end of June 2019; 5,750–6,250 at the end of 2019.

**Outcome:** As of May 21, 2019: 2,552 new or reinstated members (on target).

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\* *New Dentist member*

The objective, program, success measure, target and range remain the same as 2018 with amped up efforts to meet and exceed the goals by end of 2019.

**Objective 2:** Achieve a net increase of 4,000 active licensed members by the end of 2019.

**Initiative/Program:** Targeted communications to new dentists progressing through the reduced dues program.

**Success Measure:** Increase retention rate among 2012–2015 dental school graduates.

**Target:** 76% retention of 2014–2017 grads by end of June; 85.8% at the end of 2019.

**Range:** 73%–80% through the end of June; 83% to 87% at the end of 2019.

**Outcome:** As of May 21, 2019: 88.1% retention (12% ahead of target).

The objective, program, success measure, target and range remain the same as 2018 with amped up efforts to meet and exceed the goals by end of 2019.

**Objective 2:** Achieve a net increase of 4,000 active licensed members by the end of 2019.

**Initiative/Program:** Increase the number of graduate student members.

**Success Measure:** Larger number of graduate student members.

**Target:** 2,000 graduate student members at the end of June 2019; 3,100 graduate student members at the end of 2019.

**Range:** 1,900–2,200 at the end of June 2019; 2,900–3,300 at the end of 2019.

**Outcome:** As of May 21, 2019: 1,947 graduate student members (on target).

The objective, program, success measure, target and range remain the same as 2018 with amped up efforts to meet and exceed the goals by end of 2019.

### **Emerging Issues and Trends**

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The Council is taking proactive measures to study the point at which a member decides to join or drop out of membership; how the changes in membership requirements for specialty dental organizations may affect the membership of the ADA; how to identify and engage residents/graduate students; and how to simplify the membership dues category structure in order to reduce barriers and create a better membership joining experience across the tripartite.

The ADA is faced with the same question that is being experienced by every professional association in the country—how do both experienced and younger professionals want to interact with the organization that supports their profession? Given the large number of changes in recent years, including demographics of dentists, the rise of alternative business models and group practice, a changing regulatory environment, and generational changes in whether or not one joins an organization, the Council continues to monitor trends and formulate strategies to ensure that the ADA remains relevant to the profession.

The Council has continued its multi-year, multi-pronged study of the simplification of membership dues categories and has focused on the dues categories that will have the most impact on both the long term financial stability for the Association and the increase of graduate student members. A proposal will be sent to the 2019 House of Delegates for consideration.

### **Responses to House of Delegates Resolutions**

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**Resolution Objective:** 73H-2018. Limited Practice Membership Category

**73H-2018. Resolved,** that the Council on Membership consider the practice status of dentists when evaluating membership dues categories as a part of its dues simplification study.

**Outcome:** The Council considered practice status of all dentists during this year's phase of its dues simplification study. The Council's focus this year landed on the categories that would make the most impact in the sustainability of the Association. The dues simplification study will continue next year and will evaluate more dues categories in relation to practice status and years of membership among other strategies.

**Resolution Objective:** 92H-2009. Impact on Dues Revenues

**92H-2009. Resolved,** that the appropriate ADA agency report yearly to the House of Delegates the five-year anticipated (projected) dues revenues impact from members transition to life membership.

**Initiative/Program:** Yearly report to House of Delegates showing five-year anticipated (projected) dues revenues impact from members' transition to life membership.

**Success Measure:** Report completed (see narrative below).

**Outcome:** Report completed (see narrative below)

**Response to Resolution 92H-2009:** These projections of the dues revenue impact from members' transition to life membership are based on data from the end of year 2018 ADA datamart. Based on historical patterns and the current age and member longevity, it is estimated that the dues revenue reduction from members transitioning to life membership to be as shown in Table 1.

**Table 1. Five Year Dues Impact from Members Moving to Life Membership**

Year of Impact	2019	2020	2021	2022	2023
Dues Revenue Reduction From Members Transitioning to Life Membership	(\$454,210)	(\$456,579)	(\$377,531)	(\$382,356)	(\$364,183)

Note: This forecast assumes no deaths, no dues increase or changes in dues structure for life members and no assessment in years 2019–2023. The actual dollars may be higher or lower depending on any dues structure changes made during this time period and updated retirement data.

Table 2 shows the number of projected members who will become life members from 2019 to 2023. The number of members who begin paying Life membership dues rates over the next five years is estimated to fluctuate beginning with an increase to 3,031 in 2019 and then a decrease to 2,417 by 2023. It should be noted that the further out in the projection, the less accurate the forecast.

**Table 2. Forecast for New Active Life and Retired Life Members 2019–2023**

Year Paying Life Dues for First Time	2019	2020	2021	2022	2023
Expected Active Life	2,324	2,375	2,199	2,236	2,212
Expected Retired Life	707	441	320	258	205
Total Projected to Become Life Members	<b>3,031</b>	<b>2,816</b>	<b>2,519</b>	<b>2,494</b>	<b>2,417</b>

This projection assumes that there will be no dues increase during the next five years and that all members will retain membership.

At the end of year 2018, there were 15,495 active life members and 28,703 retired life members.

### **Self-Assessment**

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The Council is next scheduled to conduct a self-assessment in 2020.

### **Policy Review**

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The Council did a comprehensive policy review in 2018 and did not review any policies in 2019.

### **Council Minutes**

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For more information on recent activities, see the Council's [minutes](#) on ADA.org.

# Joint Commission on National Dental Examinations

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Robinson, William F., 2020, Florida, chair, American Association of Dental Boards  
 Leone, Cataldo, 2020, Massachusetts, vice chair, American Dental Education Association  
 Allaire, Joanne, 2022, Texas, American Dental Hygienists' Association  
 Haley, Cheryl D., 2019, Missouri, American Dental Association  
 Irons, Roy L., 2021, Mississippi, American Association of Dental Boards  
 Kerst, Jeffrey L., 2019, Arkansas, American Student Dental Association  
 King, Michael E., 2022, Virginia, American Dental Association  
 Maggio, Frank A., 2021, Illinois, American Association of Dental Boards  
 Nadershahi, Nader A., 2019, California, American Dental Education Association  
 Ragunathan, K. Ragu, 2021, Ohio, American Dental Association  
 Sanders, R. Michael, 2022, Nevada, American Association of Dental Boards  
 Thomas, Wesley D., 2021, District of Columbia, American Association of Dental Boards  
 Weiss, Leonard P., 2019, Ohio, American Association of Dental Boards  
 Wilson, Douglas C., 2022, Washington, Public Member  
 Zambon, Joseph, J., 2021, New York, American Dental Education Association

Waldschmidt, David M., secretary and director  
 Hinshaw, Kathleen J., senior manager  
 Curtis, Alexis, manager  
 Grady, Matthew, manager  
 Hussong, Nicholas B., manager  
 Katznelson, Alix D., manager  
 Matyasik, Michael, manager  
 McCampbell, Andrew, manager  
 Svendby, Bryan, manager  
 Yang, Chien-Lin, manager

The Joint Commission's 2018–19 liaison and observer are: Dr. Linda K. Himmelberger (Board of Trustees, Third District) and Mr. Brandon D. Rensch (American Student Dental Association).

## **Areas of Responsibility as Set Forth in the *Bylaws or Governance and Organizational Manual of the American Dental Association***

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As listed in Chapter IX, Section 30.B. of the ADA *Bylaws*, the duties of the Joint Commission shall be to:

- a. Provide and conduct written examinations, exclusive of clinical demonstrations for the purpose of assisting state boards of dental examiners in determining qualifications of dentists who seek license to practice in any state or other jurisdiction of the United States. Dental licensure is subject to the laws of the state or other jurisdiction of the United States and the conduct of all clinical examinations for licensure is reserved to the individual board of dental examiners.
- b. Provide and conduct written examinations, exclusive of clinical demonstrations for the purpose of assisting state boards of dental examiners in determining qualifications of dental hygienists who seek license to practice in any state or other jurisdiction of the United States. Dental hygiene licensure is subject to the laws of the state or other jurisdiction of the United States and the conduct of all clinical examinations for licensure is reserved to the individual board of dental examiners.
- c. Make rules and regulations for the conduct of examinations and the certification of successful candidates.
- d. Serve as a resource of the dental profession in the development of written examinations.



## **Advancing ADA Strategic Goals and Objectives: Agency Programs, Projects, Results and Success Measures**

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The Joint Commission is an agency of the ADA that maintains independent authority to pursue activities in accordance with the duties assigned to it within the ADA *Bylaws*. As such, the Joint Commission determines its own corresponding goals and objectives. The next annual meeting of the Joint Commission will be held on June 26, 2019. The following communicates the most recent actions of the Joint Commission since its prior Annual Report to the House of Delegates:

1. The total examination fees charged in 2019 to candidates are \$425 for the National Board Dental Examination (NBDE) Part I, \$475 for the NBDE Part II, and \$440 for the National Board Dental Hygiene Examination (NBDHE). Candidates from non-accredited institutions are assessed an additional \$210 processing fee at the time of application. Score report request fees are \$40.
2. The Joint Commission continues to pursue actions in support of the Integrated National Board Dental Examination (INBDE) and its implementation, including the following:
  - A. Communicating with stakeholders and communities of interest concerning implementation dates for the INBDE. The INBDE will be launched on August 1, 2020. The NBDE Parts I and II will be discontinued on July 31, 2020 and July 31, 2022, respectively. Formal communications concerning these dates were distributed in July 2018.
  - B. Delivering formal presentations on the INBDE and its characteristics at the annual meetings of the American Association of Dental Boards (AADB) and the American Dental Education Association (ADEA). The INBDE will include 500 items and be administered over one and a half days.
  - C. Constructing and pretesting INBDE questions in anticipation of formal release of the examination.
  - D. The Joint Commission continues to monitor examination administration activity for current National Board Examinations on a daily basis, to ensure close adherence to quality standards and best practices.
3. The Joint Commission continues to pursue efforts in support of its identified strategic direction. This includes the following:
  - A. Pursuit of approved elements from a draft strategic plan that was the product of a three-day Joint Commission strategic planning meeting held in Chicago in May 2018. This includes convening meetings of an ad hoc Governance Committee and an ad hoc Committee on Communications and Stakeholder Engagement. The former was charged with considering the Joint Commission's scope, mission, and governance, while the latter was charged with developing a strategic communications plan to guide the Joint Commission's communications and engagement with key stakeholder groups.
  - B. Participation in governance discussions with the ADA Board of Trustees, the ADA President, and with other ADA Commissions, to enable the Joint Commission to respond in an agile fashion to an increasingly complex operating environment. This includes efforts to achieve greater uniformity in how Commissions are approached from a governance perspective, and efforts to further reduce and control conflicts of interest.
  - C. Development of recommended revisions to the Joint Commission's *Bylaws* duties. The recommended updated statement of duties, which is subject to approval by the 2019 ADA House of Delegates, is as follows:
    - B. JOINT COMMISSION ON NATIONAL DENTAL EXAMINATIONS. The duties of the Joint Commission on National Dental Examinations shall be to:
      - a. Provide and conduct examinations for the purpose of determining qualifications of oral health care professionals seeking certification and/or licensure to practice in any state or other jurisdiction of the United States.
      - b. Make rules and regulations for the conduct of examinations and the certification of successful candidates.

- c. Serve as a resource for oral health care professionals concerning the development of examinations.
  - d. Provide a means for a candidate to appeal an adverse decision of the Commission.
  - e. Submit an annual budget to the Board of Trustees of the Association.
- D. Additionally, in June 2019 the Joint Commission will consider adding the following to the preceding recommendation, to achieve stronger uniformity with other Commissions in *Bylaws* provisions:
- Submit an annual report to the House of Delegates of this Association and interim reports, on request.*
- E. Development of updated draft mission and vision statements, in accordance with the aforementioned *Bylaws* changes. These statements would only go into effect if the corresponding *Bylaws* changes are approved by the House of Delegates.
4. The next annual meetings of the Joint Commission will be held on June 26, 2019 and June 10, 2020. The next annual meetings of the National Dental Examiners' Advisory Forum will occur on these same two days and will directly precede the meeting of the Joint Commission.

### Emerging Issues and Trends

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**NBDE Part I:** Table 1 presents performance trends for National Board Dental Examination Part I (NBDE Part I) over the past 10 years, while Figure 1 provides a graphic depiction of administration volume. Table 1 shows general, steady growth in the number of first-time candidates from accredited programs taking the NBDE Part I from 2009 to 2016, leveling off in more recent years. The total number of first-time and repeating candidates from non-accredited programs has remained fairly consistent between 2009 and 2018, with an increase in first-time candidates offsetting a decrease in repeating candidates. The total number of administrations (i.e., first-time and repeating candidates from accredited and non-accredited programs) rose from 8,815 in 2009 to 10,261 in 2018. This represents an overall increase of 1,446 candidates (i.e., 16.4%).

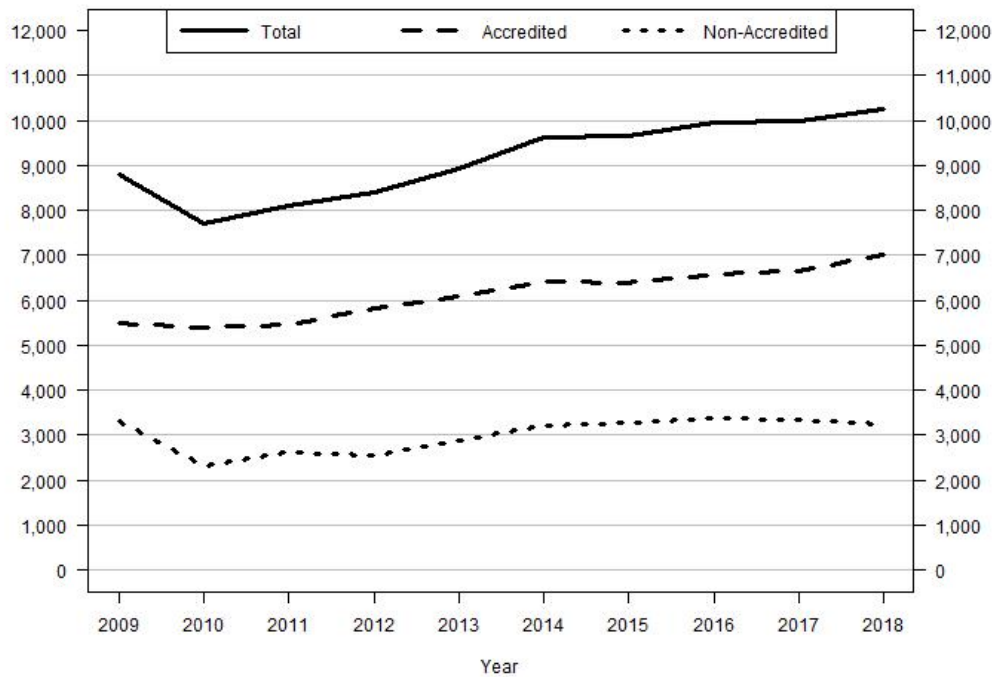
A new and more rigorous NBDE Part I standard was introduced in November 2016, resulting in higher failure rates in 2016 and beyond, and corresponding increases in the number of candidates needing to retake the NBDE Part I in 2017 and 2018. This new standard represented an increase in the level of cognitive skills required by entry-level dentists, in order to practice safely. Under this standard, the number of repeating candidates from accredited programs increased from 340 in 2016 to 819 in 2018. Across the 10-year period indicated, failure rates for first-time candidates from accredited programs ranged from 3.4% (2015) to 12.1% (2018). Failure rates for first-time candidates from non-accredited programs were relatively higher, ranging from 31.9% (2014) to 44.3% (2018).

TABLE 1  
Numbers and Failure Rates for First-time and Repeating Candidates  
NBDE Part I

Year	Accredited				Non-Accredited				Total	
	First-time		Repeating		First-time		Repeating		First-time and Repeating	
	Number	% Failing	Number	% Failing	Number	% Failing	Number	% Failing	Number	% Failing
2009	4,881	5.3	615	22.3	1,684	38.5	1,635	35.3	8,815	18.4
2010	4,923	5.3	462	29.4	1,218	38.6	1,098	44.3	7,701	17.5
2011	5,068	4.5	396	33.6	1,713	32.2	921	62.2	8,098	18.3
2012	5,497	6.1	344	39.2	1,721	38.3	842	68.1	8,404	20.3
2013	5,571	6.3	502	30.3	1,919	36.1	947	63.1	8,939	20.1
2014	6,041	3.7	377	26.3	2,211	31.9	988	56.4	9,617	16.5
2015	6,092	3.4	308	28.6	2,329	33.4	939	57.6	9,668	16.7
2016*	6,260	5.2	340	33.5	2,351	33.0	1,022	59.1	9,973	18.2
2017	5,995	10.6	669	33.5	2,289	37.2	1,044	67.2	9,997	24.1
2018	6,180	12.1	819	39.7	2,226	44.3	1,036	70.1	10,261	27.1

\* A new standard was introduced this year, based on updated standard setting activities.

Figure 1: NBDE Part I Administrations (2009-2018)



**NBDE Part II:** Table 2 presents performance trends for National Board Dental Examination Part II (NBDE Part II) over the past 10 years, while Figure 2 provides a graphic depiction of administration volume. As shown in Table 2, the number of first-time candidates from accredited programs has shown general, steady growth, with some year-to-year variation. The chart presents a low of 4,726 first-time candidates in 2009 to a high of 6,138 first-time candidates in 2017 (i.e., a 29.9% increase), with 5,769 first-time candidates taking the exam in 2018. The total number of first-time and repeating candidates from non-accredited programs increased from 965 in 2009 to 2,525 in 2018. Comparing the number of total administrations occurring in 2009 (N=6,275) with 2018 (N=8,964) shows a 43% increase in overall administration volume, with gains occurring with respect to both accredited and non-accredited candidates.

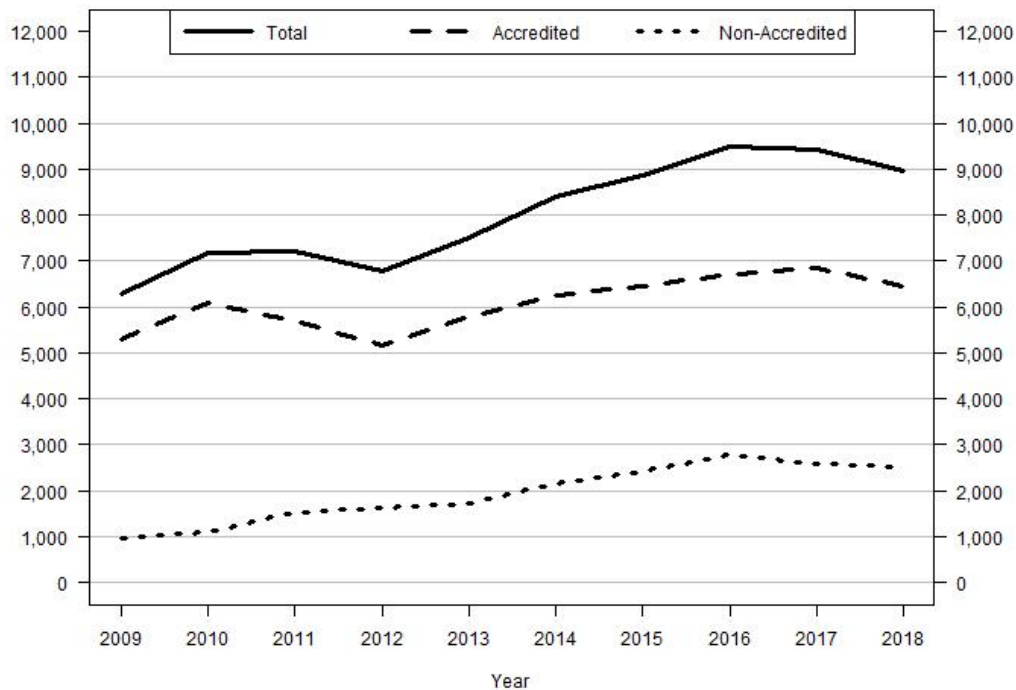
Across the 10-year period indicated, failure rates for first-time candidates from accredited programs ranged from 5.1% (2011) to 13.7% (2009), and was 7.9% in 2018, a slight decrease relative to 2017. This decrease occurred despite the introduction of a more stringent NBDE Part II standard in March 2017. (See Appendix 1 for additional details.) Failure rates for first-time candidates from non-accredited programs were higher across the board, ranging from 29.6% (2011) to 43.4% (2009).

TABLE 2  
Numbers and Failure Rates for First-time and Repeating Candidates  
NBDE Part II

Year	Accredited				Non-Accredited				Total	
	First-time		Repeating		First-time		Repeating		First-time and Repeating	
	Number	% Failing	Number	% Failing	Number	% Failing	Number	% Failing	Number	% Failing
2009*	4,726	13.7	584	47.6	631	43.4	334	73.4	6,275	23.0
2010	4,945	10.6	1,154	20.1	701	38.9	391	54.0	7,191	17.2
2011	5,312	5.1	395	28.9	1,050	29.6	471	48.4	7,228	12.8
2012	4,803	5.6	363	29.2	1,216	31.3	410	49.5	6,792	14.1
2013	5,328	6.3	463	22.0	1,204	36.4	516	53.3	7,511	15.3
2014	5,704	7.4	543	21.4	1,557	37.3	593	45.2	8,397	16.5
2015	5,834	7.5	604	22.7	1,630	42.0	783	48.8	8,851	18.5
2016	6,034	8.7	682	24.1	1,861	34.2	913	45.0	9,490	18.3
2017*	6,138	8.3	712	23.9	1,698	34.4	879	45.3	9,427	17.6
2018	5,769	7.9	670	23.4	1,759	23.7	766	39.4	8,964	14.8

\* A new standard was introduced this year, based on updated standard setting activities.

Figure 2: NBDE Part II Administrations (2009-2018)



**NBDHE:** Table 3 presents performance trends for the National Board Dental Hygiene Examination (NBDHE) over the past 10 years, while Figure 3 provides a graphic depiction of administration volume. As shown in Table 3, the number of first-time candidates from accredited programs increased from 6,708 in 2009 to 7,360 in 2018 (i.e., a 9.7% increase). The total number of candidates from non-accredited

programs was relatively small compared to the total number of candidates from accredited programs, representing approximately 4% of administrations occurring in 2009 and approximately 5% of administrations occurring in 2018. Comparing the number of total administrations occurring in 2009 with 2018 shows an overall increase of 1,086 first-time and repeating candidates from accredited and non-accredited programs (i.e., a 14.8% increase). Generally speaking, NBDHE total administration volume has shown slow, steady increases since 2015.

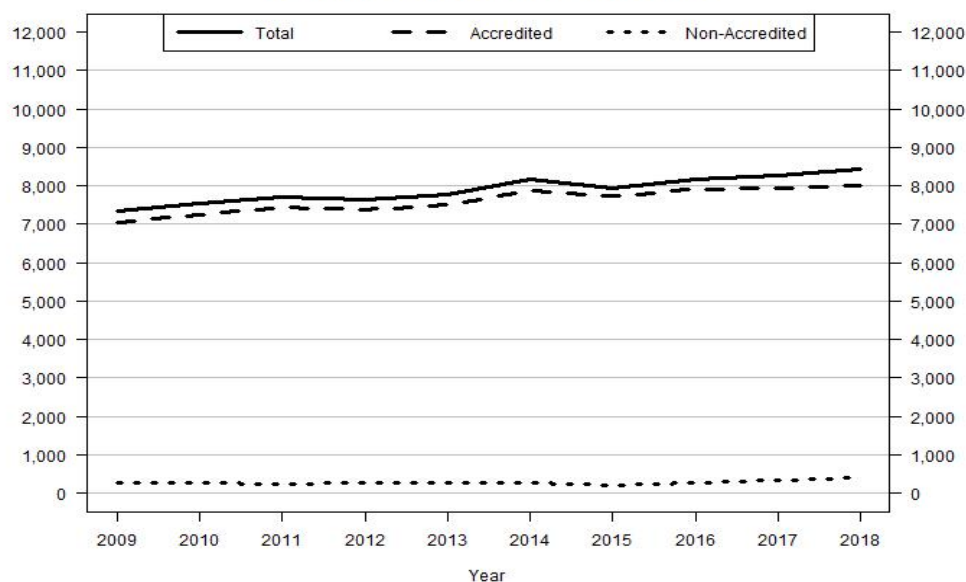
NBDHE failure rates were below 7% for all 10 years for first-time candidates from accredited programs. A more stringent NBDHE standard was introduced in January 2017 (see Appendix 1 for additional details), leading to the highest failure rate (6.2%) obtained for this reference group across the 10-year period shown. Failure rates for first-time candidates from non-accredited programs have varied considerably. These rates were highest in 2018 (34.8%) and lowest in 2013 (17.3%).

TABLE 3  
Numbers and Failure Rates for First-time and Repeating Candidates  
NBDHE

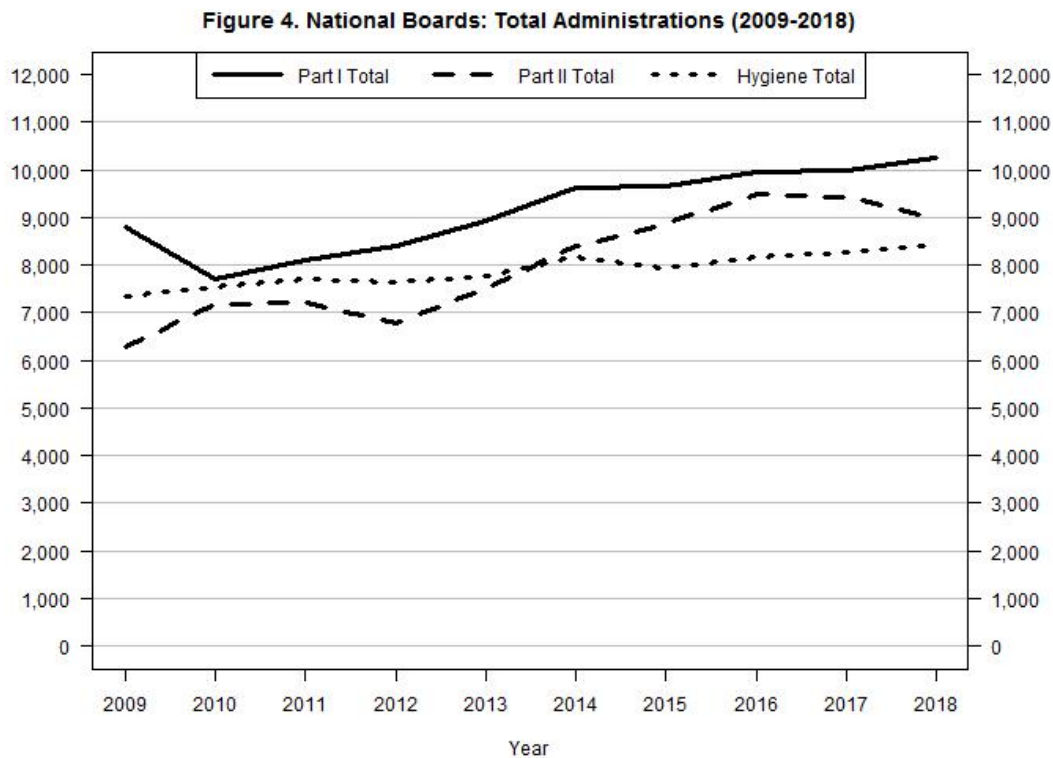
Year	Accredited				Non-Accredited				Total	
	First-time		Repeating		First-time		Repeating		First-time and Repeating	
	Number	% Failing	Number	% Failing	Number	% Failing	Number	% Failing	Number	% Failing
2009	6,708	4.2	351	55.0	170	31.8	115	72.2	7,344	8.3
2010	6,828	3.8	421	47.5	212	23.1	70	65.7	7,531	7.4
2011*	6,968	5.2	492	46.5	194	23.7	51	60.8	7,705	8.7
2012	6,882	4.2	486	47.1	236	26.7	42	50.0	7,646	7.9
2013	7,016	4.8	489	45.8	231	17.3	52	53.9	7,788	8.1
2014	7,357	4.8	527	47.4	204	23.0	68	63.2	8,156	8.5
2015	7,227	4.4	499	46.3	179	22.9	40	55.0	7,945	7.7
2016	7,397	5.1	506	41.7	214	27.6	45	35.6	8,162	8.1
2017*	7,262	6.2	677	49.8	253	33.2	81	46.9	8,273	11.0
2018	7,360	5.8	654	46.2	328	34.8	88	44.3	8,430	10.4

\* A new standard was introduced this year, based on updated standard setting activities.

Figure 3: NBDHE Administrations (2009-2018)



**Overall:** Figure 4 provides a graphic depiction of overall test administration volume for the National Board Examinations over the past 10 years. NBDE Part I and Part II total administrations have shown greater variability over time, as compared to Dental Hygiene total administrations which have been fairly consistent.



**Testing Accommodations:** The Joint Commission provides reasonable and appropriate accommodations, in accordance with the Americans with Disabilities Act, for individuals with documented disabilities who demonstrate a need for accommodations and request an accommodation prior to testing. Table 4 presents performance trends for candidates from accredited programs who took the National Board Dental or Dental Hygiene Examinations with accommodations over the past five years. As shown in Table 4, the number of accommodated examination attempts has remained small for all three National Board Examination programs over the five-year period. In 2018, accommodated examination attempts made up 1.7% of the total attempts for the NBDE Part I, 1.6% of the total attempts for the NBDE Part II, and 1.2% of the total attempts for the NBDHE. Across the five-year period indicated, failure rates for accommodated candidates were lower for first-time candidates than for repeating candidates across the three exam programs. The number of candidates receiving accommodations was substantially less for the NBDHE program, as compared to the NBDE programs.

TABLE 4\*  
Numbers and Failure Rates for Accredited Candidates  
Attempts Involving Accommodations

Part I					Part II				Dental Hygiene			
Year	First-time		Repeating		First-time		Repeating		First-time		Repeating	
	Number	% Failing	Number	% Failing	Number	% Failing	Number	% Failing	Number	% Failing	Number	% Failing
2014	96	9.4	31	22.6	105	16.2	25	36.0	54	9.3	10	60.0
2015	148	8.8	24	20.8	83	18.5	25	40.0	44	6.8	14	21.4
2016	114	12.3	32	50.0	100	17.0	25	40.0	53	11.3	14	35.7
2017	112	19.6	38	52.7	111	16.2	31	26.2	62	13.0	22	50.0
2018	130	26.9	49	53.1	110	20.0	32	34.4	61	12.9	21	28.6

\*The number of candidates from non-accredited institutions receiving accommodations was too small to provide meaningful trend information in this report.

Note. A new standard was introduced for NBDE Part I in 2016, based on updated standard setting activities.

Note. A new standard was introduced for NBDE Part II and NBDHE in 2017, based on updated standard setting activities.

## Responses to House of Delegates Resolutions

The ADA House of Delegates approved Resolutions 10H-2018 and 23H-2018 via consent calendar action. These actions approved changes requested by the Joint Commission to the Joint Commission *Standing Rules* and *Bylaws*, respectively. The Joint Commission did not receive any assignments from the ADA House of Delegates in 2018.

## Self-Assessment

The Joint Commission is next scheduled to conduct a self-assessment in 2022.

## Policy Review

While the Joint Commission is an agency of the ADA, it maintains independent authority to provide and administer licensure exams in dentistry and dental hygiene. The Joint Commission is currently reviewing its governance documents for updates: 1) the *JCNDE Bylaws*, 2) the *JCNDE Standing Rules*, 3) the *JCNDE Examination Regulations*, and 4) the *JCNDE Test Construction Teams and Selection Criteria*. In accordance with Resolution 170H-2012, Regular Comprehensive Policy Review, changes to these documents will be proposed at the annual Joint Commission meeting in June 2019.

## Commission Minutes

For more information on recent activities, see the Joint Commission's minutes on [ADA.org](https://www.ada.org).



## Appendix 1: Standard Setting and the National Board Examinations

- The purpose of the National Board Examinations (NBEs) is to assist state boards in determining the qualifications of individuals seeking licensure to practice.
- The NBEs are used to determine whether a candidate possesses the minimally acceptable level of knowledge, cognitive skills, and ability that is necessary for safe, entry-level practice:
  - Dentistry (NBDE)
    - Part I: Anatomic sciences, biochemistry-physiology, microbiology-pathology, and dental anatomy & occlusion.
    - Part II: Dental and clinical dental sciences.
  - Dental Hygiene (NBDHE)
    - Scientific basis for dental hygiene practice, provision of dental hygiene services, community health and research principles.
- The NBEs are criterion-referenced examinations; subject matter experts identify performance standards (pass/fail points) following established procedures and criteria that reference specific skill level requirements, not by the process sometimes known as “grading on a curve.”
  - All candidates who demonstrate the necessary skill level through their examination performance will pass the examination (scoring is NOT designed to fail a certain percentage of examinees).
- The standard for each examination is determined through a process called “standard setting.”
- Standard setting activities for all NBE programs were facilitated by Dr. Gregory Cizek, a nationally recognized expert in standard setting who has authored several books on the subject.
- Standard setting panels consisted of 10 to 12 subject matter experts, with panelists selected to be broadly representative and aligned with the purpose of the examinations.
- Panelists were extensively trained on procedures, and feedback was collected on five occasions at strategic points within the two-day process.
- An established standard setting method called the “Bookmark” method was used across three rounds of standard setting activities per NBE program.
- At the conclusion of the final round, the three independently conducted standard setting panels provided recommendations to the Joint Commission that increased the performance standard for the corresponding examination each panel had reviewed.
- Application of the new standards to prior samples from 2013 (NBDE) and 2014 (NBDHE) yielded increased failure rates as follows:
  - **NBDE Part I:** Failure rate increased from 6.3% to **10.1%**
  - **NBDE Part II:** Failure rate increased from 6.3% to **8.6%**
  - **NBDHE:** Failure rate increased from 4.8% to **5.6%**
- At the conclusion of all activities, participants’ evaluations of all aspects of the process were uniformly strong and supportive, with each panelist indicating that they supported the final group-recommended performance standard. Panelists were aware of the anticipated failure rates shown above. Panelist feedback on the last item of the final evaluative questionnaire was as follows:

Survey Item Number and Statement	Mean Rating*
15. Overall, I support the final group-recommended cut score as fairly representing the appropriate performance standard for the <b>NBDE Part I</b> .	<b>4.6</b>
15. Overall, I support the final group-recommended cut score as fairly representing the appropriate performance standard for the <b>NBDE Part II</b> .	<b>4.9</b>
15. Overall, I support the final group-recommended cut score as fairly representing the appropriate performance standard for the <b>NBDHE</b> .	<b>5.0</b>

\*Key: Values are on a five-point scale, ranging from 1=Strongly Disagree to 5=Strongly Agree; NR = no response. All table entries are based on N=10 (Part I) or N=12 (Part II and NBDHE) responses.

- The new standards for the NBDE Part I, NBDHE, and NBDE Part II were separately reviewed and approved by the Joint Commission, and implemented in November 2016, January, 2017, and March 2017, respectively.
- The Joint Commission has communicated information concerning the development and implementation of the new NBE standards through numerous presentations over the past several



years, including the following:

- ADEA Annual Conference (March 2014)
- National Dental Examiners' Advisory Forum (NDEAF) (April, 2014)
- ADEA Annual Conference (March 2015)
- NDEAF (April, 2015)
- ADEA Board of Directors (September 2015)
- ADEA Dean's Conference (October 2015)
- ADEA Fall Meeting (October 2015)
- ADEA Annual Conference (March 2016)
- NDEAF (April, 2016)
- ADEA Annual Conference (March 2017)
- NDEAF (April, 2017)
- Staff monitor failure rates closely. Obtained failure rates subsequent to deployment of the new standards have been quite similar to those projected during the original standard setting exercises, falling within an expected range that accounts for year-to-year variation in the skills of the underlying candidate sample.
- The failure rates for first-time candidates from accredited programs in 2017 were as follows:
  - NBDE Part I: 10.6%
  - NBDE Part II: 8.3%
  - NBDHE: 6.2%
- Staff have also confirmed that the new standards have been implemented correctly.
- Additional information about the standard setting process is available on the JCNDE website and can be accessed via the link below.
  - [http://www.ada.org/~media/JCNDE/pdfs/nbde\\_standard\\_setting\\_ADEA\\_March%202016.pdf?la=en](http://www.ada.org/~media/JCNDE/pdfs/nbde_standard_setting_ADEA_March%202016.pdf?la=en)

# National Commission on Recognition of Dental Specialties and Certifying Boards

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Norman, Charles, H., III, 2021, North Carolina, chair  
 Boyle, James, M., III, 2020, Pennsylvania, vice chair  
 Aldredge, Wayne, A., 2021, New Jersey  
 Altman, Donald S., 2020, Arizona  
 Battaglia, Joseph A., 2021, New Jersey  
 Benz, James D., 2021, Illinois  
 Broughten, Renee M., 2022, Minnesota  
 Cooley, Ralph A. 2022, Texas  
 Delarosa, Robert, 2019, Louisiana  
 Friedel, Alan E., 2022, Florida  
 Ganzberg, Steven, 2019, California, *interim*  
 Gohel, Anita, 2021, Ohio  
 Henner, Kevin A., 2019, New York  
 Hering, Denise L., 2020, Ohio  
 Johnson, William T., 2022, Iowa  
 Kiesling, Roger L., 2020, Montana  
 Kwasny, Andrew J., 2020, Pennsylvania  
 McAllister, Brian S., 2019, Delaware, *interim*  
 Tuminelli, Frank J. 2022, New York  
 Wright, John M., 2019, Texas  
 Zust, Mark, 2019, Missouri

Baumann, Catherine, director

The National Commission's 2018–19 liaison is Dr. Linda J. Edgar (Board of Trustees, Eleventh District)

## **Areas of Responsibility as Set Forth in the *Bylaws or Governance and Organizational Manual of the American Dental Association***

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As stated in Chapter IX, Section 30.D. of the ADA *Bylaws*, the duties of the National Commission shall be to:

- a. Formulate and adopt procedures for the recognition of specialties and specialty certifying boards in accord with the *Requirements for Recognition of Dental Specialties and National Certifying Boards for Dental Specialties*.
- b. Grant or deny specialty recognition to specialty organizations and specialty certifying boards seeking recognition in accord with the *Requirements for Recognition of Dental Specialties and National Certifying Boards for Dental Specialties*.
- c. Provide a means for sponsoring organizations and certifying boards to appeal an adverse recognition decision.
- d. Submit an annual report to the House of Delegates of this Association and interim reports on request.
- e. Submit the National Commission's annual budget to the Board of Trustees of the Association.

## **Advancing ADA Strategic Goals and Objectives: Agency Programs, Projects, Results and Success Measures**

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The National Commission is a commission with independent authority to recognize dental specialties and their respective certifying boards. The National Commission determines its own strategic goals and objectives. For 2019, the National Commission goals and objectives are as follows:

**Objective 1:** Development of Strategic Plan for the National Commission**Initiative/Program:** The National Commission**Success Measure:** The National Commission's development of a strategic plan with the goal of approving a draft at the National Commission's March 2020 meeting.**Target:** Draft version of strategic plan for review by the National Commission at the March 2020 meeting.**Range:** Draft version completed by December 1, 2019.**Outcome:** National Commission Strategic Planning and Policy Review Committee will meet between June and October 2019 to develop the draft strategic plan to be presented at the March 2020 National Commission meeting.**Objective 2:** The National Commission's development and implementation of two (2) electronic web-based survey tools with the goal of completion by November 30, 2019.**Initiative/Program:** The National Commission**Success Measure:** The National Commission's development and implementation of an electronic web based survey tool for the Annual Report of the Recognized Dental Specialty Certifying Boards and the Periodic Review of Dental Specialty Education and Practice.**Target:** Implementation of electronic web-based survey tool by November 30, 2019.**Range:** Implementation of electronic web-based survey tool by November 30, 2019.**Outcome:** National Commission Review Committee's on Specialty Recognition and Specialty Certifying Board will meet between June and November 2019 to oversee the development and implementation of the electronic web-based reporting tools.**Emerging Issues and Trends**

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The National Commission currently oversees the recognition of ten dental specialties and nine of the respective certifying boards. The National Commission held its annual meeting on March 11, 2019, and adopted revised formal policies and procedures related to the granting of specialty recognition.

*American Society of Dentist Anesthesiologists Application for Specialty Recognition:* The National Commission considered the request and application submitted by the American Society of Dentist Anesthesiologists (ASDA) to recognize dental anesthesiology as a dental specialty. The National Commission granted recognition to the ASDA in accord with the *Rules* of the National Commission (Article IV. Specialty Recognition Program, Section 4. Granting Recognition), by a two-thirds affirmative vote.

*Development of Shared Services Agreement with the ADA:* During its consideration of the draft 2020 budget, the National Commission considered discussion related to the ADA's intent to develop shared services agreements with all ADA Commissions and fully supports the development of an agreement with the National Commission.

**Responses to House of Delegates Resolutions**

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There were no House of Delegates resolutions directed at the National Commission in 2018.

**Self-Assessment**

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The National Commission is next scheduled to conduct a self-assessment in 2023.

**Policy Review**

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There are currently no ADA policies related to the National Commission that the National Commission has been charged with reviewing in accord with Resolution 170H-2012, Reaffirming Existing ADA Policy. The National Commission implemented its policies and procedures in 2018. A timeline for periodic review of individual National Commission policies is being developed.

**Commission Minutes**

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For more information on recent activities, see the National Commission's [minutes](#) on ADA.org.

# Council on Scientific Affairs

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Mariotti, Angelo J., 2019, Ohio, chair  
 Geisinger, Maria L., 2020, Alabama, vice chair  
 Alapati, Satish B., 2021, Illinois  
 Bedran-Russo, Ana Karina B., 2021, Illinois  
 Dionne, Raymond A., 2022, North Carolina  
 Fontana, Margherita R., 2020, Michigan  
 Frazier, Kevin B., 2022, Georgia  
 Gonzalez-Cabezas, Carlos, 2022, Michigan  
 Hargreaves, Kenneth M., 2021, Texas  
 Kademani, Deepak F., 2019, Minnesota  
 Keels, Martha Ann, 2020, North Carolina  
 Lawson, Nathaniel C., 2019, Alabama\*  
 Madurantakam, Parasarathy A., 2021, Virginia  
 Mascarenhas, Ana Karina, 2022, Florida  
 Park, Jacob G., 2020, Texas, *ad interim*\*\*  
 Parker, William B., 2019, Florida  
 Patton, Lauren L., 2021, North Carolina  
 Tinanoff, Norman, 2019, Maryland

Lyznicki, James M., senior manager

The Council's 2018–19 liaisons include: Dr. Roy Thompson (Board of Trustees, Sixth District) and Mr. Paul Lamoreau, American Student Dental Association.

## **Areas of Responsibility as Set Forth in the *Governance and Organizational Manual of the American Dental Association***

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As described in Chapter VIII, Section K.10. of the ADA *Governance and Organizational Manual*, the Council's areas of subject-matter responsibility shall be:

- a. Science and scientific research, including:
  - i. Evidence-based dentistry;
  - ii. Evaluation of professional products;
  - iii. Identification of intramural and extramural priorities for dental research every three years; and
  - iv. Promotion of student involvement in dental research.
- b. Scientific aspects of the dental practice environment related to the health of the public, dentists, and allied health personnel;
- c. Standards development for dental products;
- d. The safety and efficacy of concepts, procedures and techniques for use in the treatment of patients;
- e. Liaison relationships with scientific regulatory, research and professional organizations and science-related agencies of professional healthcare organizations; and
- f. The ADA Seal of Acceptance Program.

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\* *New Dentist member*

\*\* *Replaced Jeffries, Steven, 2020, Pennsylvania*

## Advancing ADA Strategic Goals and Objectives: Agency Programs, Projects, Results and Success Measures

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This section presents outcomes from January to May 2019, in support of the ADA Strategic Plan and the ADA Science Institute's Operating Plan.

**Membership Goal:** Increase Member Value and Engagement

**Initiative/Program:** Develop, publish and present science-based content that will add value to clinical practice and help ADA members to become leaders in dentistry

**Target:** 20 documents for full calendar year

**Outcome:** 23 documents published through May 2019, including:

- Four articles in peer-reviewed scientific journals:
  - [Non-restorative Caries Management Meta-analysis; Systematic Review and Meta-analysis](#) (*Journal of Dental Research* [JDR], January 2019)
  - [Prediabetes and Diabetes Screening in Dental Care Settings: NHANES 2013 to 2016](#) (*JDR-Clinical Translational Research*, January 2019)
  - [Long-term Effects of Various Cleaning Methods on Polypropylene/ethylene Copolymer Retainer Material](#) (*The Angle Orthodontist*, January 2019)
  - [Polymerization Pattern Characterization within a Resin-based Composite Cured Using Different Curing Units at Two Distances](#) (*Clinical Oral Investigations*, February 2019)
- An updated ADA.org Oral Health Topic (OHT) page on [Cancer \(Head and Neck\)](#), and a new OHT page on [Oral Analgesics for Acute Dental Pain](#)
- *Independent Research Testing Site Qualifications for the ADA Seal of Acceptance* (April 2019): a new resource that was circulated to participating Seal companies and independent research testing sites.
- ADA Clinical Evaluator (ACE) Panel Report on [Antibiotic Use in Endodontic Infection](#) (March 2019)
- Ten research abstracts for presentation at the [2019 International Association for Dental Research General Session](#) (Vancouver, Canada);
- Five JADA "For the Patient" Pages addressing: [Oral Care During Cancer Treatment](#) (January 2019); [Your Child's Teeth](#) (February 2019); [A Look at e-Cigarettes](#) (March 2019); [Oral and Throat Cancer](#) (April 2019); and [Oral Health Tips for Caregivers](#) (May 2019)

A systematic review addressing the impact of dental treatment prior to cardiac valve surgery has also been accepted by JADA and will be published later this year (this report was completed in response to Resolution 86H-2016, and is addressed in the "Responses to House of Delegates Resolutions" section of this report). Additional publications are planned and will be available during the second half of the year.

This program target has been achieved.\*\*

**Membership Goal:** Increase Member Value and Engagement

**Initiative/Program:** Add member value through the development of scientific content for continuing education (CE)

**Target:** Scientific content for 40 hours of continuing education delivered by December 2019

**Outcome:** By November 2019, the Council and ADA Science Institute plan to offer over 50 CE hours through scientific courses (in-person and online) and research presentations. The ADA Science Institute is sponsoring a research symposium titled "Building Translational Bridges for Oral Health, Evidence-based Policy & Clinical Practice" (1.5 CE hours) at the 2019 IADR General Session (Vancouver,

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\*\* Results are as of the date of report preparation and do not reflect full-year results.

Canada), which will discuss how the dental community can strengthen its evidence-based foundation and build multidisciplinary collaborations to accelerate the translation of scientific knowledge into practice. At ADA 2019 – America’s Dental Meeting, the Council will sponsor 10 scientific sessions (12.5 CE hours) on such topics as analgesics for acute pain, antibiotic resistance, management of dental erosion and the ADA clinical practice guidelines series for caries management. A campfire discussion on the ADA Seal of Acceptance Program will also be offered to provide insight on the program’s processes and evaluations of OTC oral care products.

In November 2019, the ADA Center for Evidence-Based Dentistry (EBD Center) will host its annual [“Dentistry for the Modern Age” workshop](#) (35 CE hours) at ADA Headquarters in Chicago. This three-day workshop offers two distinct, educational tracks: one customized for dentists on how to provide excellent evidence-based care; and another for dental educators on how to teach EBD.

This program is on track to meet its goal.\*\*

**Finance Goal:** Be Financially Sustainable

**Initiative/Program:** Deliver increased non-dues revenue from the ADA Seal of Acceptance, sponsorships and content delivery partnerships.

**Target:** \$1 million non-dues revenue for the ADA Seal of Acceptance Program

**Outcome:** \$571,451 through May 2019. This program is on track to meet its goal.\*\*

#### **Additional Council-Related Projects and Results**

*Evidence Synthesis and Translation Research:* In 2019, a new clinical practice guideline on the use of antibiotics for the emergency management of symptomatic irreversible pulpitis, symptomatic apical periodontitis, and localized acute apical abscess will be completed and submitted to *JADA* for publication consideration. As of spring 2019, the EBD Center anticipates that this new clinical practice guideline will be published in late 2019.

Also this year, the EBD Center will work to develop two caries management guidelines that will focus specifically on caries prevention and restorative treatments. Dr. Margherita Fontana, Council member, will serve as chair of the expert panel that will develop the draft for the caries-prevention guideline. Later this year, the panel will hold an in-person meeting to review the available evidence and begin the process of draft guideline development. The EBD Center anticipates forwarding the guideline manuscript to the Council for review in spring 2020, followed by submission to *JADA* by summer 2020. For the guideline on restorative treatments for caries management, an expert panel chair will be appointed and an in-person panel meeting will be held later this year.

The Council’s Clinical Excellence Subcommittee works with the EBD Center and Scientific Information staff to support the development of resources that can help inform clinical decision-making in everyday practice. This research supports the development of systematic reviews and clinical practice guidelines, as well as the preparation of *Oral Health Topics* on ADA.org, research summaries and other scientific content.

Through spring 2019, the Council has focused its research and communications efforts on two primary areas:

- Research in support of Resolution 86H-2016, including completion of a systematic review on the impact of dental treatment prior to cardiac valve surgery (this is the first of three projects pertaining to Resolution 86H-2016, which is addressed later in this report); and

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\*\* Results are as of the date of report preparation and do not reflect full-year results.

- Scientific communications and collaborations to advance human papillomavirus (HPV) vaccination, in accordance with Resolution 53H-2018, which established new ADA policy to support the use and administration of the HPV vaccine (also addressed later in this report).

*ADA Seal of Acceptance Program:* The Council's Seal Subcommittee is charged with providing recommendations to the Council on the review and analysis of ADA Seal of Acceptance Program requirements and over-the-counter (OTC) oral care product submissions. Through May 2019, the Council has awarded the ADA Seal of Acceptance to nine OTC oral care products, which met the specified Acceptance Program requirements for safety and effectiveness. In 2018, the ADA Seal of Acceptance Program contributed \$1,350,000 in non-dues revenue, which is 25% growth from 2017 and 90% growth over the 2014–2016 average.

Recent program-wide changes have garnered strong support from current and potential participants from the oral care product marketplace. In 2018, a promotional alliance between the ADA and CVS Pharmacy strengthened the ADA Seal of Acceptance brand in retail, and helped account for an estimated 25% of the total number of OTC product submissions in 2018. In April 2019, the Seal Program promoted a set of *Independent Research Testing Site Qualifications for the ADA Seal of Acceptance* to participating Seal companies and also to independent research testing sites. To date, target audience response to the independent research testing site qualifications has been positive.

The Science Institute is also strengthening ADA Seal of Acceptance Program promotion to provide clear communication to consumers about the program's long-standing efforts to evaluate dental product safety and efficacy. This year, the Science Institute is collaborating with ADA Integrated Marketing and Communications to demonstrate the value of the ADA Seal of Acceptance to member dentists and build consumer awareness of the program, with a strong emphasis on Accepted product recommendations for patients.

*Product Evaluations:* The Council's Product Evaluation (PE) Subcommittee provides advice to the Council concerning the safety and efficacy of equipment, procedures, and technique for use in dental treatment.

The ADA Clinical Evaluators (ACE) Panel, comprised of 776 ADA member dentists, is engaged in a variety of online surveys on clinical issues, such as dental materials, professional products, clinical techniques, dental therapeutics and emerging scientific issues. ADA members are encouraged to join the [ACE Panel](#) to take advantage of these opportunities to enhance their clinical knowledge and expand their professional network.

Through spring 2019, one ACE Panel Report has been published (online and in print) on [Antibiotic Use in Endodontic Infections](#) (completed in early 2019). This report provides survey results on endodontic conditions for which survey respondents were most likely to prescribe antibiotics, as well as specific antibiotics that were prescribed for endodontic infections.

To increase member value, the Council now offers continuing education (CE) credit for completing online courses that feature ACE Panel Report content. One new [ADA CE course offering on Dental Erosion & Bonding Agents](#) was published earlier this year, and is available free of charge for ADA members.

*Research and Standards:* The Research and Standards Department conducts research on dental materials, instruments, and equipment, including general and applied research to develop standards and address questions and emerging issues pertaining to dental materials or products. In 2019, Research and Standards staff developed research abstracts on the following clinical topics, which will be presented at the 2019 IADR General Session in Vancouver, Canada: polymer-based materials; cleanliness in reprocessing of dental instruments; identification and quantification of dentin/enamel on multi-use diamond instrument using Raman spectroscopy; low-temperature degradation of dental zirconia; and mechanical behavioral assessment of zirconia ceramics using Vickers indentation hardness.

Research and Standards staff are also completing microbiological studies to help finalize a new draft technical report on the development and validation of cleaning processes for dental instruments. The draft



technical report will be reviewed at an ADA Standards Committee on Dental Products Joint Working Group meeting, which will be held at the 2019 IADR General Session.

## Emerging Issues and Trends

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In 2019, an ADA staff team has collaborated with the [National HPV Vaccination Roundtable](#) and other organizations to provide members with resources in support of the new ADA Policy on Human Papillomavirus (HPV) Vaccination for the Prevention of Infection with HPV Types Associated with Oropharyngeal Cancer. Resolution 53H-2018, adopted by the 2018 House of Delegates and informed by a CSA evidence brief, “urges dentists, as well as local and state dental societies, to support the use and administration of the HPV vaccine as recommended by the CDC Advisory Committee on Immunization Practices (ACIP).”

The ultimate goals of this ADA policy are to increase member understanding of HPV-associated oropharyngeal cancer and encourage dentists to recommend HPV vaccination, in accordance with current ACIP guidance. This year, ADA staff focused on developing [information to help ADA members educate patients about HPV vaccination](#), advocating for dentist administration of the vaccine and calling for more research on HPV-associated oropharyngeal cancer. Several ADA communications were launched in and around the month of April, which is Oral Cancer Awareness Month, to leverage messaging and engagement across the profession.

## Responses to House of Delegates Resolutions

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**Resolution Objective:** 45-2017—OTC Product Labeling of pH (*Trans.*2017:279)

**45-2017. Resolved**, that the ADA supports and encourages manufacturers to provide product labeling to include information on the pH level for over-the-counter oral products available to the public for disease prevention and palliation.

**Outcome:** At its January 2019 meeting, the Council discussed a staff-led research project related to Resolution 45-2017, which was described in an informational report to the 2018 House of Delegates. The Council reviewed the project in the context of other priorities, and recommended, by consensus, that Science Institute staff discontinue further work on the research project and direct efforts to developing content on pH in oral care products through the “Oral Health Topic” pages on ADA.org. The Council also expressed that it has sufficiently addressed the intent of Resolution 45-2017.

**Resolution Objective:** 86H-2016 Optimizing Oral Health Prior to Surgical/Medical Procedures and Treatment (*Trans.*2016:307)

**86H-2016. Resolved**, that the Council on Scientific Affairs work with other appropriate ADA agencies and external stakeholders to develop proposed policy and evidence-based resources to optimize oral health prior to the performance of complex medical and surgical procedures.

**Initiative/Program:** Systematic reviews conducted by Council-appointed expert panels.

**Success Measure:** Publication of manuscript with recommendations from the first review project (addressing cardiac valve repair/replacement) in first half of 2019; completion of in-person expert panel meeting for the second review project (head and neck cancer) to review the available evidence and clarify the project’s scope by fall 2019; initiation of third review project (diabetes) in 2019.

**Outcome:** On plan to meet the success measure by December 2019, as summarized below.

In 2017, the Council approved an implementation plan for all efforts under Resolution 86H-2016. Per that plan, each systematic review conducted in support of the resolution includes an in-person meeting of a

panel of dental and medical subject matter experts to review available evidence and analyses, and to formulate conclusions (with implications for both research and practice). Expert panel members and expert panel reports are approved by the Council. Each report addresses the effect of dental treatment prior to major medical interventions on morbidity and mortality outcomes.

Also in 2017, the Council approved conducting research on the following topics:

- Patients who are scheduled for cardiac valve repair/replacement or left ventricular assist device placement (as a bridge to transplantation);
- Cancer patients, prior to head and neck radiation and chemotherapy; and
- Patients about to undergo solid organ transplantation.

In January 2019, the Council reprioritized the conditions to be studied under Resolution 86H-2016 as follows (also listed in preferred order of completion): cardiac valves, head and neck cancer, diabetes, and solid organ transplantation. The Council also recommended postponing research on patients about to undergo solid organ transplantation to a later date.

*Cardiac:* In 2019, the Council approved the first report under this resolution. The report, “Impact of Dental Treatment Prior to Cardiac Valve Surgery: Systematic Review and Meta-Analysis” was accepted in April 2019 for publication in *JADA*. Publication of this report is anticipated later this year.

*Head and Neck Cancer:* In April 2019, ADA Science Institute staff completed the initial data screening process of approximately 12,000 studies, and are currently working on data extraction and synthesis. An in-person meeting for the head and neck cancer expert panel will be organized and hosted in the third quarter of 2019, and will focus on developing conclusions based on the available data and analyses.

*Diabetes:* Through April 2019, exploratory work has begun on dental pretreatment for patients with diabetes as the third topic under Resolution 86H-2016. The Council will appraise preliminary findings of this research effort at its June 2019 meeting and determine next steps.

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## Self-Assessment

The Council is next scheduled to conduct a self-assessment in 2021.

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## Policy Review

In accordance with Resolution 170H-2012, Regular Comprehensive Policy Review, the Council reviewed the following Association policies and determined that they should be maintained:

ADA Policy, Definition of Oral Health (*Trans.*2014:465)

A separate Council recommendation to revise the ADA Policy on Early Detection and Prevention of Oral Cancer (*Trans.*2014:506) will be presented in a separate report to the 2019 House of Delegates.

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## Council Minutes

For more information on recent activities, see the Council’s [minutes](#) on ADA.org.

# ADA Business Enterprises, Inc.

## Wholly Owned Subsidiary Annual Report and Financial Affairs

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Mercer, James, 2019, South Carolina, chair  
 Kolman, Paul, 2019, Indiana  
 Maher, John, 2021, Wisconsin  
 McDougall, Kenneth 2020, North Dakota\*  
 Meckler, Edward, 2020, Ohio

Doherty, Deborah, managing director

### Advancing ADA Strategic Goals and Objectives: Agency Programs, Projects, Results and Success Measures

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ADA Business Enterprises, Inc. (ADABEI) leads in the development of revenue generation by providing best-in-class products, services and opportunities that create value.

In 2018, ADABEI Goals Included:

- Financial Sustainability
  - Increase Non-Dues Revenue for the ADA
  - Key Provider Renewals and Business Development
- Increase Member Value
  - Increase Member Engagement and Data Centric Focus
  - Improve Member Experience and Customer Service
  - Improve Marketing Tactics and Segmentation Based on Data
  - Improve Member Benefits of Existing Products
- Develop Organization with Capacity to Meet Stakeholder Needs
  - Internal Organization Capacity and Efficiency
  - Increase Collaboration with ADA and State Dental Societies

In 2018, ADABEI achieved nearly all of the goals. Examples, among other efforts, included:

- Financial Goals Above and Below Plan (*Tables 1 and 2*)
- Provider Renewals and Business Development
  - Renewed InTouch (Message on Hold)
  - Renewed HealthFirst (Amalgam Separators)
  - RFP for Practice Financing
    - BMO Harris Selected (*Launched January, 2019*)
  - RFP for Payroll Services
    - OnPay, Inc. Selected (*Launched January, 2019*)
- Increased State Royalty Sharing and Co-Endorsements
  - 50 State Co-Endorsements
  - 609 Product Co-Endorsements (*33 New Endorsements*)
  - \$1,225,000 State Royalty Share (*8.4% Increase*)
- Member Value and Engagement
  - Generated Leads to Partners = 58,043 (15.7% Growth)
  - New Accounts = 20,519 (13.7% Growth)
  - Credit Card / Increased Value / 2X Points for Great West

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\* ADA Trustee

## ADABEI Financials

In 2018, ADABEI earned \$2,505,000 in gross revenue as a result of service fees to ADABEI from the program and finished 2018 with net income (pre-tax) of \$339,000, driven by product performance and management of operational expenses below budget.

**Table 1. 2018 ADABEI Financials**

	2018 Actuals	2018 Budget	Variance (\$)	Variance (%)
ADABEI Revenue	\$2,505,000	\$2,495,000	\$10,000	0.4%
Expenses	\$2,166,000	\$2,227,000	\$61,000	2.7%
<b>Net (Pre-Tax)</b>	<b>\$339,000</b>	<b>\$268,000</b>	<b>\$71,000</b>	<b>26.5%</b>

## ADA Royalties

In 2018, the ADA earned royalties of \$4,340,000 from endorsed providers in the program, below the budget by (\$412,000) or (8.7%). The variance was driven in large part by the performance of Practice Financing (Wells Fargo).

State dental societies may choose to co-endorse products and services and share in program revenue through a license agreement. In 2018, the ADA shared \$1,225,000 in royalties with states and exceeded the budget due to additional states joining the program and co-endorsements.

**Table 2. 2018 ADA Financials**

	2018 Actuals	2018 Budget	Variance (\$)	Variance (%)
ADA Royalties	\$4,340,000	\$4,752,000	(\$412,000)	(8.7%)
State Royalty Share	\$1,225,000	\$1,108,000	\$117,000	10.6%

## Emerging Issues and Trends

### Products

ADABEI continues to focus on the strategic management of endorsed provider relationships, to develop short and long-term approaches to improve member value through product features, pricing and service. In 2018, the program included 21 products and services from 16 providers:

- Credit Card—U.S. Bank
- Credit Card Processing—Chase Paymentech, LP
- Patient Financing—CareCredit, LLC
- Practice Financing & Commercial Real Estate—Wells Fargo Practice Finance
- Luxury Vehicles—Mercedes-Benz
- Marketing, ADA TV and Secure Email—PBHS, Inc.
- Tours & Cruises—AHI Travel
- Interpretive Services—Cyracom
- Amalgam Separators, Emergency Medical Kits and Sharps—HealthFirst
- Payroll Services—SurePayroll, Inc.
- Message on Hold—InTouch Practice Communications

- Staff Apparel—Lands' End Business Outfitters, Inc.
- Online Backup and Digital Records—The Digital Dental Record
- Shipping—UPS and Meridian One Corporation
- Appliances—Whirlpool VIP Program and Meridian One Corporation
- Computers & Technology—Lenovo and Meridian One Corporation

**New Providers**

ADABEL conducted an extensive proposal and review process for two products in ADABEL's program, Practice Financing with Wells Fargo and Payroll with SurePayroll. The ADABEL Board of Directors selected BMO Harris Bank (Practice Financing) and OnPay, Inc. (Payroll). Each product was launched in January, 2019.

**New Product - ADA TV**

ADA TV is a user-friendly, high-tech entertainment and marketing system for waiting rooms that empowers a dental practice to customize and stream content that will educate, entertain, and promote member services to patients on the TV located in the reception area. ADA TV launched in February of 2018. This was the first joint-initiative with the ADA's Product Development & Sales (PDS) division and met its goals for 2018.

# ADA Business Innovation Group (ADABIG)

## ADA Business Innovation Group Board of Directors

Crowley, Joseph, 2019, Ohio  
 Hanzelin, Rick, 2021, Illinois  
 Kim, Kija, 2019, Massachusetts  
 Liew, Roger, 2020, Illinois  
 MacIver, Carolyn, 2021, Wisconsin  
 Norbo, Kirk, 2020, Virginia\*  
 O'Loughlin, Kathleen, Illinois, ADA executive director

## Board of Directors Discussion Participants\*\*

Cole, Jeffrey, ADA president  
 Sholty, Paul, ADA chief financial officer

## Board of Directors Legal Advisors\*\*

Christiansen, Scott, ADABIG retained legal counsel  
 Elliott, Thomas, C., Jr., ADA legal counsel

Robinson, Bill, president & chief executive officer  
 Ebert, Suzanne, vice president, dental practice & relationships  
 Simmers, Bree, manager, operations, marketing & administration  
 Kaplan, Kenny, director, technology applications & projects

## Areas of Responsibility as Set Forth in the *Bylaws or Governance and Organizational Manual of the American Dental Association*

This project is the result of a strategic consulting project initiated by the Budget and Finance Committee of the ADA Board of Trustees to reexamine the ADA's business model. In order to maintain the financial stability of the organization, it was determined that the ADA needed to develop services that solve critical problems for dentists in ways that can generate non-dues revenue while also making membership more attractive. The development of ADA Practice Transitions™ is the direct result of both quantitative and qualitative market research.

## Advancing ADA Strategic Goals and Objectives: Agency Programs, Projects, Results and Success Measures

**Objective 5:** Non-dues revenue will be at least 65% of total revenue

**Goals:** 200 dentists participate on platform (target 7% of member dentist population—e.g., 160 in Wisconsin); 25 matches made (25% of participants—e.g., 40 in Wisconsin, 10 in Maine, so 25 matches)

**Table 1. Total Market and Participation Goals**

State	Total Dentists (2017 Membership Mkt Share)	7% of member dentist population	25% of active participants		New Dentist members (Mkt Share)
ME	653 (81.8%)	38	10 (5 matches)		118 (76.6%)
WI	3,256 (70.4%)	160	40 (20 matches)		639 (75.4%)

\* ADA Trustee

\*\* Non-voting

Initial reaction to the platform has been positive based on the following results as of the creation of this report:

Number of dentists who have subscribed (entered credit card information):	58
Owner Dentists	40
Incoming Dentists	18
Maine	15
Wisconsin	41
Other	2
Completed profiles:	27
Associate matches made or in process:	0
Practice Transitions made or in process:	0

### Executive Summary

- A Town Hall is scheduled to be available during ADA FDI World Dental Congress in San Francisco:
  - DATE:** Thursday, September 5
  - TITLE:** Town Hall: ADA Practice Transitions Update
  - TIME:** 10–11 a.m.
  - LOCATION:** San Francisco Marriott Marquis, Yerba Buena Salon 10-12
- At its May 2019 meeting, the ADA Board of Trustees adopted the following resolutions:
  - B-35-2019. Resolved,** that the ADA Board of Trustees allocate up to \$5 million from reserves to support the ongoing operations of ADA Practice Transitions™.
  - B-36-2019. Resolved,** that ADA Business Innovation Group, Inc. is requested to provide a refined and updated business model to the ADA Board of Trustees at its first meeting in 2020 with a recommendation for the future of the company based on the financial results and market response to the pilot in Wisconsin and Maine.
- The pilot is now live in the market; information about the service can be found at [www.ADAPracticeTransitions.com](http://www.ADAPracticeTransitions.com).
- The ADABIG Board of Directors is fully seated and has held two of its quarterly meetings.
- Early reaction from potential users has caused management to revise assumptions regarding both pricing and penetration levels. As a result, it seems more likely that the platform alone will be able to generate enough net revenue to reach profitability goals set at the beginning of the project. As a result, management is currently focusing all of its attention and resources on optimizing the platform and is spending no effort currently on exploring the possibility of purchasing, managing, and then selling practices. Having said that, the management team remains open to opportunities to purchase that may present themselves in the market.
- To date, the Business Model Project Management Team has completed its work on-time and below budget. The total projected spend for the Minimum Viable Product (MVP) Pilot through the end of May 2019 is just under \$3 million against the \$3.5 million funding provided by the Board. This track record is consistent with the previous performance of the management team and reinforces ADABIG's confidence in its recommendation to the Board of Trustees.
- Projected costs for the duration of the pilot through the end of the first quarter of 2020 are roughly \$2 million (\$200,000/month for 10 months). At that time, management will have a more complete understanding of the operating and transaction costs and will have a recommendation regarding the continuation of the program, including a plan to scale to more states if appropriate. The additional funds to support this scaling through the rest of 2020 are projected at roughly \$3

million. It is possible (likely) that the \$3 million could support the program far longer than the rest of 2020 depending on the pace of expansion and the revenue generated by growth.

**Activity and Accomplishments since May 2018 (most recent funding round):**

In April 2018, the ADA Board of Trustees designated up to \$3.5 million from reserves to be spent building an MVP to support a pilot in up to two states and to potentially purchase up to two dental practices. Since that time, there has been significant progress:

- ADABIG is now headquartered in two small offices at 541 N. Fairbanks Ct, 22nd floor (MakeOffices). The lease is month to month and allows flexibility to add or eliminate office space as needed.
- ADABIG is now adequately staffed for the duration of the pilot:
  - Bill Robinson, President & CEO
  - Dr. Suzanne Ebert, VP Dental Practice & Relationships
  - Bree Simmers, Mgr Operations, Marketing & Administration
  - Kenny Kaplan, Director of Technology Applications & Projects
  - Pending hire, Sr. Project Assistant
- The service platform has been available to dentists in Wisconsin and Maine since April 1, 2019. Technology work continues to build additional functionality.

**Update on Subsidiary Corporate Entity:** The articles of incorporation for ADA Business Innovation Group were filed in the state of Illinois on June 14, 2018 as a C Corporation. Trademark applications for the name and logo are in process.

**Technology Partner to build the MVP:** ADABIG hired The Bridger Group (Bob Beiersdorf) to evaluate the technology proposal by Continuum to build the MVP. After an in-depth consideration of their proposal, and in consultation with the former Governance Team, Continuum was selected as the technology vendor with a due date of providing the platform to the market by April 1, 2019. The platform was released on time and near budget after a series of negotiations to establish the features necessary to make the product “minimally viable.” In order to manage the budget, the bulk of the team working on technology was shifted to EPAM, Continuum’s owner, with a team based in Minsk, Belarus. This new technology team has exceeded expectations in terms of the quality and speed of their work and represent a fraction of the cost of the team in the U.S. who had been doing the development at Continuum.

**Company Name and Brand Identity:** While Continuum was refining the features and defining the user experience of the platform, a team worked in parallel to establish the brand identity of the new service. This work included selecting the name, logo, fonts, color palette and visual identity of the web site and marketing material. All of the decisions were informed by qualitative and quantitative research with dentists using the ADA’s research team utilizing the dentist panel that was recently established. The cost of this work by Continuum was \$250,000.

**Updated Business Model:** Further research to define the necessary features of the platform confirmed earlier findings that owner dentists desire a more transparent and effective way to find associates and/or potential buyers for their practices. Similarly, incoming dentists desire the same features when looking for an employment opportunity or a practice to purchase.

A surprising finding from the market was that dentists were concerned that ADA Practice Transitions was not charging enough money to do a quality job. This consistent feedback prompted the team to reevaluate the pricing to include an enrollment fee and to increase the prices for major transactions. In addition, the market penetration assumptions were raised to reflect a higher volume of participation than was originally anticipated.

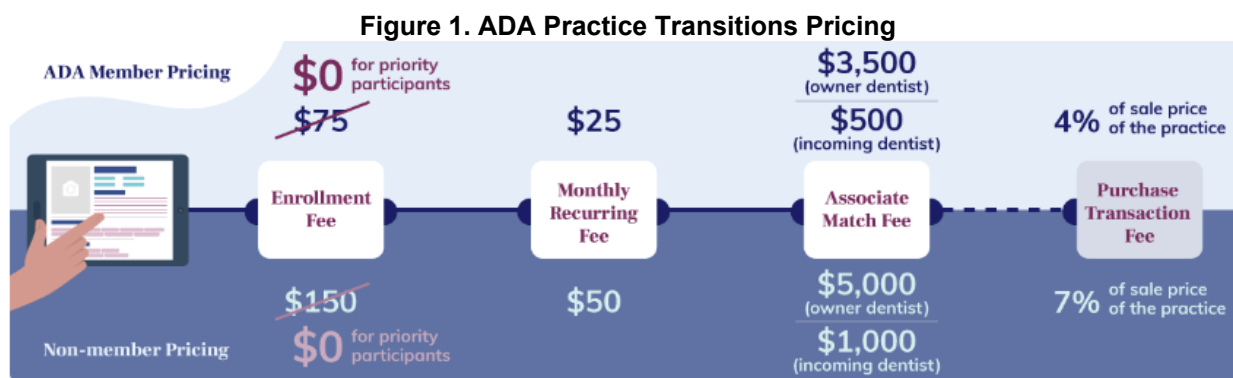
When these assumptions were modeled for the service at a national scale, it became clear that the platform alone may be able to support the financial and profitability goals of the organization. As a result, management has focused all of its time and energy on optimizing the platform and has postponed the idea of purchasing, managing and then selling dental practices at this time. The complexity of practice



ownership is significant and management believes its time is best spent optimizing the platform and managing the transactions between dentists.

**How ADA Practice Transitions Generates Revenue:** Based on market feedback, management has reformatted the original projected pricing and increased the market penetration assumptions. Current pricing includes:

- **Enrollment Fee:** ADA members will pay \$75 (nonmember \$150) to enroll. During the pilot, this fee is waived for the first 200 participants. While the fee is waived, the user is required to provide a credit card and agree to the fee schedule in order to complete enrollment.
- **Monthly Subscription fee:** After the first two months, members will pay an automatically renewing fee of \$25/month (nonmember \$50/month) utilizing a credit card. This fee allows them access to their profile, makes them available for “matching” on the platform, enables access to the ADA Advisor and allows them to receive educational content relevant to their particular situation on a regular basis.
- **Match fee:** When a “match” is found for an associate at a practice, the owner dentist pays \$3,500 (nonmember \$5,000) and the incoming associate dentist pays \$500 (nonmember \$1,000).
- **Practice Transition fee:** When all or some portion of a practice transitions from the owner to the purchasing dentist, the owner dentist pays 4% (nonmember 7%) of the value of the practice at closing.



**Figure 2. Identified Market Size**

Age	Number	Percent of Market
25 - 29	7,945	4%
30 - 34	24,673	12%
35 - 39	24,111	12%
40 - 44	23,334	11%
45 - 49	23,039	11%
50 - 54	20,560	10%
55 - 59	21,955	11%
60 - 64	23,894	12%
65 - 69	20,070	10%
70 - 74	11,151	5%
75+	5,713	3%
TOTAL	206,445	100%

0 – 15 years out      56, 729 dentists  
 Age 60+              60,828 dentists

#### Market Penetration

5% = 3,000 matches (6,000 dentists)

7% = 4,200 matches (8,400 dentists)

10% = 6,000 matches (12,000 dentists)

Further attitudinal research was recently completed by ADA Integrated Marketing & Communications team. Their research identified attitudinal market segmentation; the two segments most likely to take advantage of the ADA Practice Transitions service consist of over 73,000 dentists.

**Table 2. Business Model Revenue at Scale (projected in 2022 or 2023 depending on pace)**

Revenue Stream	Price	Number	Total Revenue	Assumptions
Enrollment fee	\$75	6,000	\$450,000	Assume member pricing and market penetration of 5% of those at the beginning third and ending third of their careers
Monthly fee	\$25	6,000	\$1,350,000	Assume member pricing for 9 months/year
Match fee	\$4,000	2,250	\$9,000,000	Assume 75% of matches are for associates
Transition fee	\$16,000	750	\$12,000,000	<ul style="list-style-type: none"> <li>Assume 25% of matches are practice sales</li> <li>4% of \$400,000. Current average practice price is \$600,000. Assume lower price to account for overrepresentation of smaller practices and partial ownership purchases</li> </ul>
<b>Total Revenue</b>			<b>\$22.8 million</b>	

Total expenses at scale are unknown at this time. Refining the costs of providing the service are a key goal of the pilot. Rough projections of total costs at scale range from \$8.1 million to \$14.6 million. If the revenue goals are achieved, even with the highest cost projections, ADA Practice Transitions should be able to achieve its profitability goals in excess of \$5 million to \$7 million, out of which dividends could be paid to the ADA as sole shareholder.

**Table 3. Projected Revenue for Pilot April 2019 through March 2020**

Source	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sept 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Pilot Total Revenue
Platform Users	42	80	100	120	140	160	180	200	200	200	200	200	Avg 151
Enrollment revenue			\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$15,000
Subscription Revenue	\$0	\$0	\$2,000	\$2,000	\$2,500	\$3,000	\$3,500	\$4,000	\$4,500	\$4,500	\$4,500	\$4,500	\$35,000
Associate Matches	0	0	0	2	2	2	2	3	3	3	3	3	23
Assoc Match Revenue	\$0	\$0	\$0	\$8,000	\$8,000	\$8,000	\$8,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$92,000
Transitions	0	0	0	0	0	1	2	2	2	2	2	2	13
Transition Revenue	\$0	\$0	\$0	\$0	\$0	\$14,000	\$28,000	\$28,000	\$28,000	\$28,000	\$28,000	\$28,000	\$182,000
Total Revenue	\$0	\$0	\$0	\$11,000	\$11,500	\$26,000	\$40,500	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	<b>\$324,000</b>

**Pilot Project Rationale:** The rationale for the project remains unchanged and all evidence so far supports the viability of this service:

- Consistent with Overall ADA Strategy:** ADA Practice Transitions supports the independent, autonomous practice of dentistry while maintaining and increasing access to care. It increases the likelihood of member engagement, and it has the potential to generate at least \$5 million to \$7 million dollars annually. In addition, the visibility of the platform and its association with the ADA

may help to keep practices open in rural areas by promoting the viability of those practices to incoming dentists.

- **Clear Metrics for Success of a Pilot:** Success at the pilot level means that the pilot demonstrates both a clear path to profitability and a service and software model that can be scaled-up. Furthermore, while complete success on every measure is both unlikely and unrealistic, a pilot must deliver primarily positive feedback from all key stakeholders—established dentists, new dentists, patients, participating state and local dental societies, and volunteer leaders. In the opening weeks of the pilot, participants have already offered significant feedback.
- **Critical Assumptions to be Tested:** The ADA is wise to exercise caution in the face of these assumptions. A pilot provides a low-risk way to test these assumptions:
  - ADA Practice Transitions can do a superior job of matching dentists.
  - Dentists are willing to pay for this matching service.
  - New dentists are willing to pay for an ongoing training in practice management skills.
  - The ADA Business Innovation Group can partner with independent third parties, such as those with expertise in assessing the value of a practice.
  - The ADA Business Innovation Group can purchase a practice, but it may no longer be necessary to achieve profitability goals.
  - The ADA Business Innovation Group can both add value to a purchased practice and find a buyer for that practice where previously one did not exist.
- **Possibility for Course-Correction:** It is not the expectation that every assumption contained in this report will be proven true over the course of the pilot. It is instead the expectation that additional information will prompt changes that will increase the chance for success. Alternatively, additional information could indicate that a particular path leads to a dead-end and that the ADA should devote its resources elsewhere. This course correction also holds for ADA's reputation among dentists. Rather than attempt to anticipate and mitigate all possible objections in advance, a pilot offers an opportunity to test and iterate within a limited location and to best adjust based on feedback.

**Pilot Project Timeline and Budget:** ADABIG is pleased to report that the MVP is currently available in Wisconsin and Maine as projected. Anticipated costs through the end of May 2019 are projected to be just under \$3 million. The vast majority of the expense is accounted for in consulting costs with Continuum (\$1.7 million) and staff salaries and benefits (\$800,000).

The Board awarded up to \$3.5 million in order to build and implement the MVP. Now that this has been achieved at a cost of roughly \$3 million, ADABIG management recommends closing out this segment of the project and to establish a new budget with the next set of milestones.

The projected monthly run rate for ADABIG beginning June 2019 is approximately \$200,000/month:

**Table 4. Projected Monthly Costs**

Expense	Monthly Run Rate	Comment
Salary & Benefits	\$95,000	Fully staffed at five people
Technology Costs	\$49,000	Run rate for managed development
ADA Services Agreement	\$33,000	ADABIG currently pays <\$13,000/month
Other Costs	\$23,000	Legal, Travel, Space, Marketing, etc.
Total	\$200,000	Total Monthly cost

To support ADABIG operations from June 2019 through the end of the first quarter of 2020 would require \$2 million. If the pilot is successful, an additional \$3 million should be sufficient to support the addition of five to 10 additional states in 2020 while also supporting the ongoing operations. As new markets are added, there is additional opportunity to earn revenue, but the nature of the service dictates that the biggest revenue opportunities come months after release when dentists are matched and practice transitions take place.

By the first Board meeting of 2020, management is confident it can provide:

- A further refined business model with key operating costs identified
  - Advisor model established including the ratio of Advisors to Relationships
  - Refined understanding of the true cost of the Advisor

- Updated business model with further refinement of market opportunity and market penetration
  - Known transition support costs and processes for practice valuation, accounting and brokers (where necessary)
- A recommendation for abandonment or continuation of the project
- A plan for scaling the project to other states if appropriate
- A long term vision for potential product extensions
- Prioritized list of additional features
- Roadmap for product expansion

# ADA Foundation

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Calnon, William R., 2019, New York, president and interim executive director  
Kiesling, Roger L., 2022, Montana, president elect

## Members at Large:

Bruck, Ann, 2020, Minnesota  
Cram, Sally J., 2022, Washington, D.C.  
Dolan, Teresa A., 2019, Pennsylvania  
Fujimoto, Luis J., 2022, New York  
Fujimoto, Patsy K., 2019, Hawaii  
Gallant, Marshall L., 2019, Colorado  
Graves, Dana T., 2022, Pennsylvania  
Green, Edward J., 2021, Georgia  
Hayes, Mary J., 2021, Illinois  
Himmelberger, Linda K., 2021, Pennsylvania\*  
Klemmedson, Daniel J., 2019, Arizona\*  
Lieb, Howard I. A., 2020, New York  
Lynch, Michael C., 2019, New Jersey  
Maggio, Frank A., 2022, Illinois  
Morell, Maritza, 2020, Massachusetts  
O'Loughlin, Kathleen, Illinois\*\*  
Panagakos, Fotinos S., 2021, West Virginia  
Penrose, Michele, 2020, Michigan  
Roberts, Gary L., 2021, Louisiana  
Stephens, James D., 2022, California\*  
Switzer-Nadasdi, Rhonda, 2022, Tennessee  
Thakkar, Nipa, 2022, Pennsylvania  
Thompson, Roy, 2020, Tennessee\*

## Advancing ADA Strategic Goals and Objectives: Agency Programs, Projects, Results and Success Measures

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As the philanthropic arm of the ADA, the ADA Foundation (ADAF) serves as a catalyst to support optimal oral health for all, both in the U.S. and internationally.

The ADAF approved a new three-year (2019–2021) strategic plan in December 2018. Primary areas of focus are impact and sustainability, as well as supporting game-changing oral health research.

**The following goals and objectives are from the ADAF Strategic Plan, 2019–2021.**

### **Goal 1: The ADA Foundation's philanthropic operations will be financially sustainable.**

#### **Objective 1: Grow and diversify revenue.**

#### **Outcomes:**

- Marshall Hayes, director of development and Liz Brandt, manager of individual giving, joined ADAF in 2018, the first ADAF development team since mid-2010. While generating income is the primary aim, the more immediate goal is to build a platform for growth and to position the ADAF for maximum exposure and engagement with individual donors, oral health-related organizations, its colleagues at ADA, and other funding organizations such as foundations and corporations.

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\* ADA Trustee

\*\* ADA executive director with the right to vote

- Recent fundraising efforts include:
  - The ADA Foundation Challenge, resulting in \$129,000 raised to support new grants to expand oral health services for people with special needs.
  - An end-of-year fundraising campaign in 2018 to lapsed donors, resulting in more than \$18,000 in unrestricted funds raised.
  - A fundraising effort at ADA 2018 – America’s Dental Meeting in Hawaii in the form of a District Challenge, through which the ADAF raised more than \$35,000 in unrestricted funds.
  - A charitable sales promotion with Quip NYC Inc., resulting in \$250,000 in unrestricted funds raised.
  - A new two-page donor recognition advertisement in the November 19, 2018, issue of *ADA News*.
  - The American Hero Fund in memory of Loren J. Feldner, D.D.S. was established in April, 2019. Through this fund, the ADA Foundation will provide grants to selected organizations that support the provision of charitable oral health care services to underserved, vulnerable U.S. veterans.
- The ADAF is collaborating with state dental associations to add a voluntary ADAF contribution option to the states’ dues statements. As of March 2019, seven states have added this option. The ADAF is working with several additional states in 2019 to add this option, while collaborating to ensure that this effort is of mutual benefit.
- The ADAF is continuing to build on its strategies to strengthen donor relationships through intentional and meaningful outreach efforts, with the goal of growing the donor base among ADA members while researching and soliciting nontraditional donors. During a six-month period in 2018–2019, the ADAF gained 345 new donors, 222 of whom are ADA members.

### **Objective 3: Increase ADA Foundation brand awareness.**

#### **Outcomes:**

- ADAF staff collaborates extensively with ADA staff to ensure frequent, ongoing coverage in ADA news communications channels including *ADA News*, the Morning Huddle, Leadership Update, and other communications, and also where possible on the ADA’s social media channels.
- [Give Kids A Smile® Facebook page](#): more than 8,000 followers.
- [ADAF Facebook page](#) (launched in 2017): more than 500 followers.
- [ADAFoundation.org](#) website traffic continues to grow, including Give Kids A Smile, international programs, and the ADA Foundation Research Division.
- The ADAF also distributes news releases and collaborates on stories with outside entities where possible throughout the year.

### **Goal 2: Manage effective programs to achieve impact.**

#### **Objective 4: Evaluate current programs for effectiveness and alignment with mission and strategic plan, and modify and expand as appropriate.**

#### **Outcomes:**

The ADAF is currently reviewing its existing programs in an effort to focus resources on these efforts that provide the greatest impact while supporting the ADAF’s mission, in alignment with the ADA. Recent initiatives include:

- Raised the dollar amount of its Dental Student Scholarships to \$20,000, with applications increasing by 58% since 2016.
- Developed and launched a new grant program to support access to oral health for senior Americans (ages 65+).
- Developed and launched a new grant program, the ADA Foundation Access to Oral Health Care for People with Special Needs Grant, including:
  - The ADA Foundation has awarded a three year, \$375,000 grant to Advocate Illinois Masonic Medical Center (AIMMC) to support a new program designed to improve access

to oral health care for children with special needs. AIMMC's Dental Anesthesiology Residency Program, a new training initiative, will function in close association with the hospital's established General Practice Residency program and Special Needs Dentistry program to increase service capacity for children with special needs and stimulate new referral relationships.

- Funding to other nonprofit organizations that provide oral health services to people with physical and/or mental conditions that prohibit/complicate the provision of dental care in the routine setting.
- Continued Charitable Assistance Grants to dentists and their families who, because of accidental injury, advanced age, physically debilitating illness, or medically-related condition, are prevented from obtaining gainful employment resulting in an inability to be financially self-sustaining, with awards in 2019 anticipated to total over \$360,000.
- Launched a new Community Dental Health Coordinator (CDHC) Scholarship program, which provides partial tuition funding for CDHC candidates whose purpose is to provide community-based prevention, care coordination, and patient navigation to increase oral health access in underserved communities.

#### **Outcomes:**

In 2018 the ADAF provided \$3,710,000 in cash or facilitated in-kind product donations to improve the oral health of the public. These efforts support access to oral health care, education, and research, and also charitable assistance for dentists in need, in the U.S. and globally. These include:

- \$802,777 in grants, awards and scholarships;
- \$856,177 in research dollars to the VRC to support several periodontal and oral cancer-related research projects;
- \$120,000 to support the Tiny Smiles oral health education program;
- \$25,000 to support the GKAS Community Leadership Development Institute; and
- \$1,908,343 in facilitated in-kind product donations to the 1,500 GKAS programs nationwide.

Current ADAF grant, award, and scholarship programs include:

- [Dental Student Scholarship Program](#);
- [Access to Oral Health Care for People with Special Needs Grant](#);
- [ADAF Grant for International Dental Volunteer Projects](#);
- [E. "Bud" Tarrson Dental School Student Community Leadership Award](#);
- [Senior American Oral Health Access to Care Grant](#);
- [Dr. David Whiston Leadership Program](#);
- [Give Kids A Smile National Kickoff Event](#);
- [Give Kids A Smile Continuity of Care Grants](#);
- [ADA Foundation Crest and Oral-B Promising Researcher Award](#);
- [ADA Foundation Dentsply Sirona Research Award for Dual Degree \(D.D.S./Ph.D. or D.M.D./Ph.D.\) Candidates](#);
- [Charitable Assistance Grant Program](#); and
- Community Dental Health Coordinator Scholarships.

#### **Objective 5: Measure existing program impact.**

#### **Outcomes:**

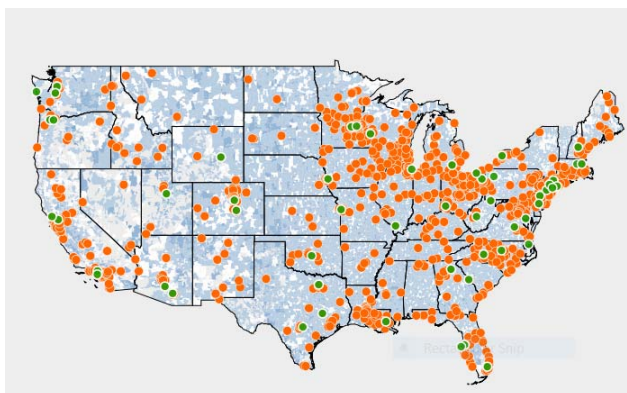
Give Kids A Smile 2019 metrics

- Launched a new, improved data collection system, including a mobile app;
- More than 350,000 underserved children received free oral health services;
- 1,600 GKAS events;
- 7,000 volunteer dentists;
- 27,000 dental team members and other volunteers;
- 79 GKAS Ambassadors trained to date (serve as regional resources for local GKAS coordinators); and

- \$50,000 in GKAS Continuity of Care Grants provided to nonprofit oral healthcare organizations (included in Objective 4, above).

Through the ADAF Give Kids A Smile program, launched nationally by the ADA in 2003, more than 6 million underserved children have received free oral health services. These free services were provided by volunteers, including approximately 10,000 dentists annually, along with 30,000 other dental team members throughout the United States.

**Chart I: GKAS Events in 2019**



Orange: GKAS event(s); Green: GKAS Ambassador

#### Outcomes:

##### Tiny Smiles, a Give Kids A Smile program

- Tiny Smiles is a collaboration between the ADAF and Scholastic Inc., the education company. With input from stakeholders in the dental, medical, and education communities, Tiny Smiles provides proven oral health education for caregivers and parents of children ages 0 (birth) to five, with measurable outcomes showing that kids are developing good habits that can help them achieve a lifetime of optimal oral health.
- Tiny Smiles targets stakeholder audiences including dentists (pediatric and general), pediatricians, OB/GYNs, and early childhood educators, with the goal of positively changing oral health care behaviors in parents and caregivers of children ages zero (birth) to five.
- 2017: Pilot program. Distributed 4,000 oral health education kits in seven urban and rural target markets. Collected and analyzed qualitative and quantitative data, which indicated a significant improvement in participants' understanding of key messages and an increase in visits to the dentist following exposure to the materials.
- 2018: Phase 1 soft national launch. Distributed 13,500 kits (675,000 caregiver tear sheets) to above-described stakeholders across the U.S. who took a pre-survey regarding their perceptions about oral health care behaviors in parents and caregivers of children. Those who received the kits were then invited to complete a post-survey after using the materials. As of this writing, the outcomes are being tabulated.
- 2019: Phase 2 national distribution is being planned.
- The ADAF is actively seeking collaborators and funding to expand the reach of the Tiny Smiles program.

#### Outcomes:

##### International programs

- ADAF international programs strive to improve global oral health and oral health care infrastructure through professional education, oral health infrastructure development, community dental public health, and humanitarian outreach programs.
- [Grant for International Volunteer Dental Projects](#): \$25,000 to five organizations working to improve access to oral healthcare in Belize, Guatemala, Honduras, and Nepal.



- [Health Volunteers Overseas \(HVO\)-ADA Foundation Volunteer Fellowship](#): \$4,500 to three new dentists or first-time HVO volunteers to support their participation in ADAF/HVO Oral Health Training programs.
- Provided resources on international volunteerism and volunteer organizations via the ADAF website, which had 11,158 unique page views.
- Educated 331 attendees at the course titled *Volunteer Internationally: Building Sustainable Oral Health Programs* during the 2018 annual meeting.
- Hosted 67 attendees (representatives of nonprofit organizations and dental schools working to improve access to oral healthcare) at the [2018 International Volunteer Dental Projects Best Practices Workshop](#).
- In partnership with HVO, volunteer dentists completed 28 oral health assignments in Laos, Nepal, Peru, St. Lucia, Tanzania, and Vietnam which resulted in training for more than 270 oral health providers.

**Objective 6: Expand collaborations with the ADA, state dental societies and their foundations, and other groups to bring stakeholders together and increase impact.**

**Outcomes:**

- ADAF staff collaborates with ADA staff to promote ADAF programs and development activities through multiple ADA Channels.
- The ADAF has limited funding in its 2019 budget for collaboration opportunities outside the scope of existing ADAF grant programs. These funds allow the ADAF to engage with nonprofit organizations creatively in support of the ADAF's strategic goals.
- The ADAF is contributing to the 2019 ADA Management Conference with the primary objectives of outreach, collaboration with state and local dental associations and their foundations, and to support those organization's executive directors in their efforts to ensure their association's success. The ADAF is hosting a collaborative breakout session and the annual reception, along with participating in development-related roundtable discussions.
- Collaboration with the ADA's Government and Public Affairs and Council on Advocacy for Access and Prevention (CAAP) divisions have lead the ADAF to develop and implement a pilot Community Dental Health Coordinator scholarship program.

**Goal 3: Enhance clinical care outcomes through research, innovation, and collaboration**

ADAF research is focused on three programmatic themes: development of new multifunctional dental materials, design of sensors to inform clinical decisions, and development of devices to expedite development of new dental treatments. Significantly, the ADAF Research Division has signed a new five-year cooperative research and development agreement with the National Institute of Standards and Technology (NIST), outlining specific research initiatives aligned with programmatic themes.

**Objective 7: Develop improved dental materials and treatment technologies.**

**Outcomes:**

- Peer-reviewed publications in journals with average impact factor >2.0  
Published 15 articles in peer-reviewed journals.
- Presentations at scientific meetings  
Attended and presented at 12 conferences/symposia.
- Recognition of published work/citations in scientific literature  
Scientific work received approximately 200 citations.
- Seeking external funding for research:  
Five grant proposals submitted to funding agencies.

**Objective 8: Translate innovations to delivery of care.**

**Outcomes:**

- Established four external collaborative research arrangements (federal/military and academic).
- Established two external tech transfer arrangements.
- Technology development and protection:
  - One provisional patent application.
  - Two patents approved by the United States Patent and Trademark Office.

**Objective 9: Develop adequate staff and resources to advance the research agenda.****Outcomes:**

- Six post-doctoral research fellows.
- Four Mentorships/Summer Undergraduate Research Fellowship (SURF) students.

**Objective 10: Procure external research funding.****Outcomes:**

- \$475,000 federal National Institutes of Health (NIH)/ National Institute of Dental and Craniofacial Research (NIDCR).
- \$471,800 private/foundation/small business.
- \$10,000 royalties.

**Emerging Issues and Trends**

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The ADAF Board is not aware of any new, significant trends or emerging issues not already being addressed.



**AMERICAN DENTAL ASSOCIATION  
AND SUBSIDIARIES**

Consolidated Financial Statements and Supplemental Schedules

December 31, 2018 and 2017

(With Independent Auditors' Report Thereon)



KPMG LLP  
Aon Center  
Suite 5500  
200 E. Randolph Street  
Chicago, IL 60601-6436

## Independent Auditors' Report

The Board of Trustees  
American Dental Association and Subsidiaries:

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the American Dental Association and Subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

#### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the American Dental Association and Subsidiaries as of December 31, 2018 and 2017, and the results of their activities and their cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

*Emphasis of Matter*

As discussed in note 1(p) to the consolidated financial statements, in 2018, the American Dental Association and Subsidiaries adopted Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

*Other Matter*

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included in Schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

Chicago, Illinois  
June 24, 2019

**AMERICAN DENTAL ASSOCIATION  
AND SUBSIDIARIES**

Consolidated Statements of Financial Position

December 31, 2018 and 2017

<b>Assets</b>	<b>2018</b>	<b>2017</b>
Cash and cash equivalents	\$ 9,330,586	8,613,540
Receivables, net	12,102,903	9,536,703
Deferred taxes	41,997	19,657
Income taxes receivable	211,311	16,101
Prepaid expenses and other assets	5,668,411	5,207,002
Inventories, net	770,349	583,294
Marketable securities and alternative investments	154,961,379	166,895,820
Property and equipment, net	39,552,285	38,709,768
Funds held for deferred compensation	5,865,773	7,707,751
Total assets	<u>\$ 228,504,994</u>	<u>237,289,636</u>
<b>Liabilities and Net Assets</b>		
Accounts payable and accrued liabilities	\$ 14,784,582	9,727,089
Deferred revenue	13,885,723	13,453,314
Liability for deferred compensation	5,865,773	7,707,751
Postretirement benefit obligation	11,368,157	12,426,717
Pension liability	49,746,508	53,047,890
Total liabilities	<u>95,650,743</u>	<u>96,362,761</u>
Net assets:		
Without donor restrictions	117,811,736	123,987,908
With donor restrictions	15,042,515	16,938,967
Total net assets	<u>132,854,251</u>	<u>140,926,875</u>
Total liabilities and net assets	<u>\$ 228,504,994</u>	<u>237,289,636</u>

See accompanying notes to consolidated financial statements.

**AMERICAN DENTAL ASSOCIATION  
AND SUBSIDIARIES**

Consolidated Statements of Activities

Years ended December 31, 2018 and 2017

	2018			2017		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Revenue:						
Membership dues	\$ 54,596,562	—	54,596,562	56,457,565	—	56,457,565
Advertising	6,333,049	—	6,333,049	6,547,670	—	6,547,670
Rental income	6,840,375	—	6,840,375	6,086,183	—	6,086,183
Publication and product sales	6,138,932	—	6,138,932	6,411,076	—	6,411,076
Testing and accreditation fees	26,968,183	—	26,968,183	26,330,790	—	26,330,790
Meeting and seminar income	7,825,335	3,150	7,828,485	6,958,646	—	6,958,646
Grants, contributions, and sponsorships	2,572,983	4,045,936	6,618,919	1,801,992	4,017,542	5,819,534
Royalties and service fees	19,889,036	—	19,889,036	19,409,761	—	19,409,761
Investment return, net	(5,461,586)	(776,887)	(6,238,473)	20,171,059	2,048,966	22,220,025
Other income	3,408,582	170,689	3,579,271	3,432,778	35,500	3,468,278
Net assets released from restrictions	5,339,340	(5,339,340)	—	4,851,724	(4,851,724)	—
Total revenue	134,450,791	(1,896,452)	132,554,339	158,459,244	1,250,284	159,709,528
Expenses:						
Staff compensation, taxes, and benefits	63,929,163	—	63,929,163	65,214,268	—	65,214,268
Printing, publication, and marketing	9,907,221	—	9,907,221	10,747,110	—	10,747,110
Meeting expenses	2,826,640	—	2,826,640	2,385,869	—	2,385,869
Travel expenses	7,210,967	—	7,210,967	7,176,089	—	7,176,089
Consulting fees and outside services	16,222,464	—	16,222,464	18,343,228	—	18,343,228
Professional services	9,621,219	—	9,621,219	9,740,602	—	9,740,602
Office expenses	5,320,615	—	5,320,615	4,780,717	—	4,780,717
Facility and utility expenses	7,371,675	—	7,371,675	6,332,628	—	6,332,628
Grants and awards	6,501,372	—	6,501,372	6,476,060	—	6,476,060
Endorsement expenses	1,531,325	—	1,531,325	1,440,068	—	1,440,068
Depreciation and amortization	6,881,621	—	6,881,621	6,758,056	—	6,758,056
Bank and credit card fees	1,484,746	—	1,484,746	1,546,097	—	1,546,097
Other expenses	1,164,330	—	1,164,330	1,098,314	—	1,098,314
Total expenses	139,973,358	—	139,973,358	142,039,106	—	142,039,106
Net (loss) income from operations before income tax expense	(5,522,567)	(1,896,452)	(7,419,019)	16,420,138	1,250,284	17,670,422
Income tax expense	1,101,931	—	1,101,931	1,455,413	—	1,455,413
Net (loss) income	(6,624,498)	(1,896,452)	(8,520,950)	14,964,725	1,250,284	16,215,009
Pension – and postretirement health plan – related changes other than net periodic pension cost	448,326	—	448,326	2,332,604	—	2,332,604
Change in net assets	(6,176,172)	(1,896,452)	(8,072,624)	17,297,329	1,250,284	18,547,613
Net assets at beginning of year, as reclassified in 2017	123,987,908	16,938,967	140,926,875	106,690,579	15,688,683	122,379,262
Net assets at end of year	\$ 117,811,736	15,042,515	132,854,251	123,987,908	16,938,967	140,926,875

See accompanying notes to consolidated financial statements.

**AMERICAN DENTAL ASSOCIATION  
AND SUBSIDIARIES**

Consolidated Statements of Cash Flows  
Years ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Change in net assets	\$ (8,072,624)	18,547,613
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Pension – and postretirement health plan – related changes other than net periodic pension cost	(448,326)	(2,332,604)
Depreciation and amortization	6,881,621	6,758,056
Deferred income tax expense	(22,340)	38,609
Net change in unrealized gains and losses in fair value of marketable securities and alternative investments	16,097,291	(13,935,109)
Net realized gain on sale of marketable securities and alternative investments	(6,864,173)	(5,551,828)
Net assets released from restrictions and used for operations	5,339,340	4,851,724
Provision for uncollectible accounts	(134,042)	(24,534)
Changes in assets and liabilities:		
Receivables, net	(2,432,158)	(1,791,257)
Income taxes receivable, net	(195,210)	157,134
Prepaid expenses and other assets	1,380,569	(1,026,795)
Inventories, net	(187,055)	67,157
Accounts payable, accrued liabilities, and other liabilities	3,215,515	(5,038,354)
Deferred revenue	432,409	39,252
Postretirement benefit obligation	(605,967)	1,048,635
Pension liability	(3,305,649)	(1,007,832)
Net cash provided by operating activities	<u>11,079,201</u>	<u>799,867</u>
Cash flows from investing activities:		
Purchases of marketable securities and alternative investments	(67,781,355)	(30,526,868)
Sales and maturities of marketable securities and alternative investments	70,482,678	44,068,794
Acquisitions of property and equipment	(7,724,138)	(10,584,328)
Net cash (used in) provided by investing activities	<u>(5,022,815)</u>	<u>2,957,598</u>
Cash flows from financing activities:		
Net assets released from restrictions and used for operations	(5,339,340)	(4,851,724)
Net cash used in financing activities	<u>(5,339,340)</u>	<u>(4,851,724)</u>
Net increase (decrease) in cash and cash equivalents	717,046	(1,094,259)
Cash and equivalents at beginning of year	<u>8,613,540</u>	<u>9,707,799</u>
Cash and cash equivalents at end of year	<u>\$ 9,330,586</u>	<u>8,613,540</u>
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	\$ 1,319,980	1,259,169

See accompanying notes to consolidated financial statements.



## **(1) Summary of Significant Accounting Policies**

### **(a) Organization and Purpose**

The American Dental Association (the Association) is organized as an association of members of the dental profession, residing primarily in the United States of America, and is designed “to encourage the improvement of the health of the public and to promote the art and science of dentistry.”

The accompanying consolidated financial statements include the accounts of the Operating and Reserve Divisions of the Association, the American Dental Political Action Committee (ADPAC), ADA Foundation (ADAF), and the Association’s wholly owned for-profit subsidiaries, ADA Business Enterprises, Inc. (ADABEI) and ADA Business Innovation Group (ADABIG).

ADPAC promotes the Association’s political and legislative agenda.

ADAF was organized to operate exclusively for charitable, scientific, and educational purposes.

ADABEI manages the for-profit activities organized by the Association offering a range of products and services to Association members in conjunction with various service providers under the title of ADA Business Resources.

In 2018, the Association formed a new for-profit subsidiary organized as ADABIG. ADABIG was formally incorporated as of June 14, 2018. The initial services offered by ADABIG are ADA Practice Transitions whose purpose is to match dentists with practice owners who are seeking a partner, associate, or someone to purchase their practice.

All significant intercompany accounts and transactions have been eliminated in consolidation.

### **(b) Basis of Accounting**

The consolidated financial statements of the Association are prepared using the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The Association maintains its accounts in accordance with the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by the donors.

These consolidated financial statements have been prepared to focus on the Association as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of fund balances into two classes of net assets – without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- *Without donor restrictions* – Net assets that are not subject to donor-imposed restrictions and are resources available to support operations. This category includes board-designated funds functioning as endowment, which represent funds that have been appropriated by the board, the income from which is used in support of the purposes and mission of the Association.

- *With donor restrictions* – Net assets subject to donor-imposed restriction for use for a particular purpose. The Association's unspent contributions are included in this class if the donor limited their use. The Association's donor-restricted endowment funds, which must be maintained in perpetuity with the income from which used in support of the purposes and mission of the Association, are included in net assets with donor restrictions.

When a donor's restriction is satisfied, either by using the resources in a manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the consolidated financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

All revenue and net gains are reported as increases in net assets without donor restrictions in the consolidated statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions. Net gains on endowment investments increase net assets with donor restrictions, and net losses on endowment investments reduce that net asset class.

**(c) Use of Estimates**

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue, expenses, gains, and losses during the reporting period. Actual results could differ from those estimates.

**(d) Cash and Cash Equivalents**

Cash equivalents at December 31, 2018 and 2017 consist primarily of interest-bearing deposits under overnight repurchase agreements. The Association, ADPAC, ADAF, and ADABEI each maintains its cash balances in financial institutions, which at times may exceed federally insured limits. The Association, ADPAC, ADAF, and ADABEI have not experienced any losses in such accounts and believe they are not exposed to any significant credit risk on cash.

**(e) Receivables and Allowance**

The allowance for doubtful receivables is determined after considering a number of factors, including the length of time receivables are past due, the Association's previous loss history, the customer's current ability to pay its obligations, and the condition of the general economy as a whole. Uncollectible accounts are written off, and payments subsequently received on such receivables are credited to the allowance for doubtful receivables. Receivables include pledges receivable for unconditional promises for which payment has not been received. Pledges receivable are recognized at the estimated present value of expected future cash flows, net of allowances.

**(f) Marketable Securities**

Investments in marketable securities are carried at fair value based on quoted market prices or other observable inputs. Realized and unrealized investment gains and losses are included within investment

income in the accompanying consolidated financial statements. Net realized capital gains or losses on sales are calculated based on the cost of securities sold.

Marketable securities held in the Operating Division are available for current use, while marketable securities held in the Reserve Division are not intended for current use. Reserve Division assets may be used for operations upon approval of the Board of Trustees, with subsequent reporting to the Association's House of Delegates. Investment expenses of \$271,389 and \$141,480 in 2018 and 2017, respectively, are included as part of investment return, net in the accompanying consolidated financial statements.

**(g) Inventories**

Inventories, consisting principally of salable educational materials and supplies, are carried at the lower of cost or market (net realizable value). Cost is primarily determined using the first-in, first-out method.

**(h) Property and Equipment**

Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation is computed on the straight-line method once assets are put into service over the estimated useful lives of the assets, which are as follows:

Buildings	30–55 years
Building improvements	7–20 years
Furniture, equipment, and libraries	3–20 years

Tenant leasehold improvements are amortized over the shorter of their estimated useful lives or the remaining term of the lease.

**(i) Valuation of Long-Lived Assets**

The Association periodically evaluates the carrying value of its long-lived assets, including, but not limited to, property and equipment and other assets. The carrying value of long-lived assets is considered impaired when the undiscounted cash flows from such assets are separately identifiable and estimated to be less than their carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the long-lived assets. Fair value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved. Pursuant to Accounting Standards Codification (ASC) Topic 350, *Property, Plant, and Equipment – Overall*, long-lived assets that are to be disposed of are to be written down to their fair value if such fair value is less than carrying value.

**(j) Contributed Facilities**

ADAF occupies, without charge, certain premises located in government-owned research facilities. No amounts have been reflected in the consolidated financial statements for their use, as no objective basis is available to measure the value of such facilities.

**(k) Deferred Compensation**

The Association has a deferred compensation plan. Participation is limited to ADA officers, trustees, and certain upper management employees whose compensation rate is at least \$100,000 per year. This is a nonqualified plan governed by Section 457 of the Internal Revenue Code (the Code). Investments held for deferred compensation are carried at market value and are not available for current use.

**(l) Revenue and Expense Recognition**

Membership dues and assessments are recognized as revenue during the membership year, which ends on December 31. Amounts received in advance are deferred to the subsequent year. Unearned membership dues and assessments, which have been included in deferred revenue in the accompanying consolidated financial statements, amounted to \$5,295,996 and \$5,792,033 at December 31, 2018 and 2017, respectively.

Periodical subscriptions are recognized as revenue over the terms of the subscriptions. Subscriptions paid in advance are recorded as deferred revenue. Advertising revenue and direct publication costs are recognized in the period the related publication is issued. Rental income from the Association's headquarters building and Washington, DC office building is recorded as revenue when earned. Testing fees are recognized as revenue when the related examinations are scored.

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or are restricted by the donor for specific purposes are reported as net assets with donor restrictions. Amounts required to be maintained in perpetuity by the donor are also reported as net assets with donor restrictions. Contributions, including unconditional pledges, are recognized in the period received. Conditional pledges are not recognized until the conditions on which they depend are substantially met. A donor restriction expires when a time restriction ends or when the purpose for which it was intended is attained. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon expiration of donor restrictions and are reported in the consolidated statements of activities as net assets released from restrictions. Unconditional promises are recognized at the estimated present value of expected future cash flows, net of allowances.

Corporate grants that do not constitute contributions are recognized as revenue when costs of the related programs or projects are incurred. Corporate grants received but not yet expended are reported as deferred revenue. Grants to other organizations are recorded as expense when authorized by the Board of Trustees.

Royalties and service fees are recognized when earned.

**(m) Pension and Other Postretirement Benefits**

Pension costs are determined under the projected unit credit cost method. This method determines the present value of benefits projected to retirement with increases in salary and service, and allocates (attributes) pension costs to prior and current periods based upon the relationship of service to date versus service projected to retirement. Pursuant to ASC Subtopic 715-10, *Compensation – Retirement Benefits – Overall*, the Association is required to fully recognize and disclose an asset or liability for the

overfunded or underfunded status of its benefit plans in its consolidated financial statements and to recognize changes in that funded status as a change in net assets without donor restrictions in the year in which the changes occur.

**(n) Income Taxes**

Deferred taxes are established for temporary differences between the financial reporting basis and the tax basis of assets and liabilities. Deferred taxes are based upon enacted tax rates, which would apply during the period in which taxes become payable or recoverable, and the adjustment of cumulative deferred taxes for any changes in the tax rate.

The Association accounts for uncertain tax positions in accordance with ASC Topic 740, *Income Taxes*. ASC Topic 740 addresses the determination of how tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements. Under ASC Topic 740, the Association must recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. ASC Topic 740 also provides guidance on derecognition, classification, interest, and penalties on income taxes and accounting in interim periods and requires increased disclosures.

**(o) Fair Value Measurements**

The Association applies the provisions of ASC Topic 820, *Fair Value Measurement*, for fair value measurements of financial assets and liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis. ASC Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC Topic 820 also establishes a framework for measuring fair value and expands disclosures about fair value measurements. ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation technique used to measure fair value (note 4).

The Association also applies the provisions of Accounting Standards Update (ASU) No. 2010-06, *Improving Disclosures about Fair Value Measurements*. ASU No. 2010-06 amends ASC Subtopic 820-10, *Fair Value Measurement – Overall*, to provide additional disclosure requirements for transfers into and out of Levels 1 and 2 and for activity in Level 3 and to clarify certain other existing disclosure requirements.

The Association applies the provisions of ASC Subtopic 825-10, *Financial Instruments – Overall*. ASC Subtopic 825-10 provides the Association with an option to elect fair value as the initial and subsequent measurement attribute for most financial assets and liabilities and certain other items. The fair value option election is applied on an instrument-by-instrument basis (with some exceptions), is irrevocable, and is applied to an entire instrument. The fair value option election may be made as of the date of initial adoption for existing eligible items. Subsequent to initial adoption, the Association may elect the fair value option at initial recognition of eligible items, on entering into an eligible firm commitment, or when certain specified reconsideration events occur. Unrealized gains and losses on

items for which the fair value option has been elected will be reported in the consolidated statements of activities. The Association did not elect any changes to fair value measurements in 2018 or 2017.

The Association has disclosed investments for which fair value is measured using net asset value per share as a practical expedient outside the fair value hierarchy in accordance with ASC Subtopic 820-10.

**(p) New Accounting Pronouncements**

In August 2016, FASB issued ASU No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. ASU No. 2016-14 represents phase 1 of FASB's not-for-profit financial reporting project and results in reducing the number of net asset classes, requires expense presentation by functional and natural classification, requires quantitative and qualitative information in liquidity, retains the option to present the cash flow statement on a direct or indirect method, as well as includes various other additional disclosure requirements. The requirements of this statement were implemented retrospectively for the Association for the year ended December 31, 2018. The new standards had the following impact on the consolidated financial statements:

- The temporarily restricted and permanently restricted net assets classes have been combined into a single net asset class called net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The consolidated financial statements include a disclosure of functional expenses by functional and natural classification (note 11) and a disclosure about liquidity and availability of resources (note 12).
- At December 31, 2018, the classification has changed from unrestricted net assets to net asset with donor restrictions for the \$517,077 deficit on an endowment fund that had investments with a fair value of \$6,659,634 and an original gift amount of \$7,176,711. The organization has disclosed how this underwater situation affects spending from the fund (note 10). There were no underwater endowments in 2017.

A summary of the reclassifications due to the adoption of ASU No. 2016-14 as of January 1, 2017 is as follows.

<b>Net assets classifications</b>	<b>ASU No. 2016-14 classifications</b>		
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total net assets</b>
Net assets as previously presented:			
Unrestricted net assets	\$ 106,690,579	—	106,690,579
Temporarily restricted	—	6,373,130	6,373,130
Permanently restricted	—	9,315,553	9,315,553
Net assets, as reclassified	<u>\$ 106,690,579</u>	<u>15,688,683</u>	<u>122,379,262</u>

In May 2014, FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU establishes principles for reporting useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers, particularly, that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The requirements of this statement are effective for the Association for the year ending December 31, 2019. The ASU permits the new revenue recognition guidance to be applied using one of two retrospective application methods. The Association adopted this guidance effective January 1, 2019 under the modified retrospective approach, and it did not have an impact on the Association's results of operations. The Association is in the process of assessing the disclosures for this statement.

In November 2016, FASB issued ASU No. 2016-18, *Restricted Cash, a consensus of the FASB Emerging Issues Task Force*. ASU No. 2016-18 requires an entity to include amounts generally described as restricted cash and restricted cash equivalents, along with cash and cash equivalents when reconciling beginning and ending balances on the statement of cash flows. ASU No. 2016-18 is effective for nonpublic business entities for annual reporting periods beginning after December 15, 2018, with retrospective application and disclosure. Early adoption of ASU No. 2016-18 is permitted. The requirements of this standard are effective for the Association for the year ending December 31, 2019. The Association is in the process of evaluating the impact of this statement.

In March 2017, the FASB issued ASU No. 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*, which requires companies to present the service cost component of net benefit cost in the income statement line items where they report compensation cost, and all other components of net benefit cost in the income statement separately from the service cost component and outside of operating income, if this subtotal is presented. Additionally, the service cost component will be the only component that can be capitalized. ASU No. 2017-07 is effective for the Association for the year ending December 31, 2019. The standard requires retrospective application for the amendments related to the presentation of the service cost component and other components of net benefit cost and prospective application for the amendments

related to the capitalization requirements for the service cost components of net benefit cost. The Association is in the process of evaluating the impact of this statement.

In February 2016, FASB issued ASU No. 2016-02, *Leases*. ASU 2016-02 requires entities to recognize all leased assets as assets on the balance sheet with a corresponding liability resulting in a gross up of the balance sheet. Entities will also be required to present additional disclosures as the nature and extent of leasing activities. ASU No. 2016-02 is effective for nonpublic business entities for the annual reporting period beginning after December 15, 2019. The requirements of this statement are effective for the Association for the year ending December 31, 2020. The Association is in the process of evaluating the impact of this statement.

**(q) Reclassifications**

Certain reclassifications have been made to the 2017 notes to the consolidated financial statements to conform to the 2018 presentations.

**(2) Receivables**

Receivables at December 31, 2018 and 2017 consist of the following:

	<u>2018</u>	<u>2017</u>
Trade receivables	\$ 4,964,438	4,317,866
Royalties receivable	3,216,247	2,271,155
Grants and contracts receivable	203,580	33,929
Tenant receivables	4,474,972	3,675,663
Pledges receivable	10,411	42,915
Other	<u>4,124</u>	<u>100,094</u>
Total	12,873,772	10,441,622
Less allowance for doubtful receivables	<u>(770,869)</u>	<u>(904,919)</u>
Net receivables	<u>\$ 12,102,903</u>	<u>9,536,703</u>

Unconditional promises for which payment has not been received are recorded in the consolidated financial statements as pledges receivable and revenue of the appropriate net asset category.



Unconditional promises are expected to be realized in the following periods from December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Unconditional promises to give	\$ 10,411	42,915
Less unamortized discount	<u>—</u>	<u>—</u>
	10,411	42,915
Less allowance for uncollectible pledges	<u>(400)</u>	<u>(900)</u>
Net pledges receivable	<u>\$ 10,011</u>	<u>42,015</u>
Amounts due in:		
Less than one year	\$ 9,761	41,765
One to five years	<u>250</u>	<u>250</u>
Total	<u>\$ 10,011</u>	<u>42,015</u>

### (3) Marketable Securities and Alternative Investments

Marketable securities and alternative investments at December 31, 2018 and 2017 consisted of the following:

	<u>2018</u>	
	<u>Cost</u>	<u>Market</u>
Money market funds	\$ 28,995	28,995
Bonds and bond funds	45,885,649	44,207,156
Equities and equity funds	94,426,632	92,760,526
Alternative investment funds	<u>14,425,058</u>	<u>17,964,702</u>
	<u>\$ 154,766,334</u>	<u>154,961,379</u>

	<u>2017</u>	
	<u>Cost</u>	<u>Market</u>
Money market funds	\$ 32,816	32,816
Bonds and bond funds	49,571,404	48,665,398
Equities and equity funds	86,456,881	100,194,409
Alternative investment funds	<u>14,542,396</u>	<u>18,003,197</u>
	<u>\$ 150,603,497</u>	<u>166,895,820</u>

Investment return, net is included in the accompanying consolidated statements of activities for the years ended December 31, 2018 and 2017 as follows:

	<u>2018</u>	<u>2017</u>
Interest and dividends	\$ 3,266,034	2,874,568
Change in net unrealized appreciation (depreciation) in fair value of marketable securities and alternative investments	(16,097,291)	13,935,109
Net realized gain on sale of marketable securities and alternative investments	6,864,173	5,551,828
Investment management fees	<u>(271,389)</u>	<u>(141,480)</u>
Total investment return, net	<u>\$ (6,238,473)</u>	<u>22,220,025</u>

#### (4) Fair Value Measurements

##### (a) Fair Value of Financial Instruments

The following methods and assumptions were used by the Association in estimating the fair value of its financial instruments:

- The carrying amount reported in the consolidated statements of financial position for the following approximates fair value because of the short maturities of these instruments: cash equivalents, accounts payable, and accrued liabilities.
- Fair values of the Association's investments held as marketable securities are estimated based on prices provided by its investment managers and its custodian bank. Fair value for money market funds, equities and equity funds, fixed-income mutual funds, and quoted corporate bonds and U.S. government bonds are measured using quoted market prices at the reporting date multiplied by the quantity held. Alternative investments funds are measured at the net asset value as a practical expedient to determine fair value.

##### (b) Fair Value Hierarchy

The Association follows ASC Topic 820 for fair value measurements of financial assets and liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the report date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.
- Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the report date. The nature of these securities includes investments for

which quoted prices are available but which are traded less frequently and investments that are fairly valued using other securities, the parameters of which can be directly observed.

- Level 3 – Securities that have little to no pricing observability as of the report date; these securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Association. The Association considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the fair value hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Association's perceived risk of that instrument. The Association's policy is to recognize transfers between levels of the fair value hierarchy on the actual date of the event or change in circumstances that caused the transfer.

The following tables set forth by level, within the fair value hierarchy, the Association's assets at fair value as of December 31, 2018 and 2017:

	2018				Redemption or liquidation	Days' notice
	Level 1	Level 2	Level 3	Total		
Cash and cash equivalents	\$ 9,330,586	—	—	9,330,586	Daily	One
Marketable securities and alternative investment funds:						
Money market funds	28,995	—	—	28,995	Daily	One
Fixed-income mutual funds	44,100,450	—	—	44,100,450	Daily	One
Equity mutual funds	92,760,526	—	—	92,760,526	Daily	One
Corporate bonds	—	106,706	—	106,706	Daily	One
Alternative investment funds:						
Blackstone Partners Offshore Fund (1)				9,307,333	Semiannual	95
Wellington Archipelago Fund (1)				8,657,369	Quarterly	45
Total alternative investment funds				17,964,702		
Total marketable securities and alternative investment funds	136,889,971	106,706	—	154,961,379		
Funds held for deferred compensation:						
Money market funds	1,027,414	—	—	1,027,414	Daily	One
Equity mutual funds	4,321,393	—	—	4,321,393	Daily	One
Fixed-income mutual funds	516,966	—	—	516,966	Daily	One
Total funds held for deferred compensation	5,865,773	—	—	5,865,773		
Total assets at fair value	\$ 152,086,330	106,706	—	170,157,738		

- (1) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in the table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

	2017				Redemption or liquidation	Days' notice
	Level 1	Level 2	Level 3	Total		
Cash and cash equivalents	\$ 8,613,540	—	—	8,613,540	Daily	One
Marketable securities and alternative investment funds:						
Money market funds	32,816	—	—	32,816	Daily	One
Fixed-income mutual funds	48,568,111	—	—	48,568,111	Daily	One
Equity mutual funds	100,194,409	—	—	100,194,409	Daily	One
Corporate bonds	—	97,287	—	97,287	Daily	One
Alternative investment funds:						
Blackstone Partners Offshore Fund (1)				9,162,942	Semiannual	95
Wellington Archipelago Fund (1)				8,840,255	Quarterly	45
Total alternative investment funds				18,003,197		
Total marketable securities and alternative investment funds	148,795,336	97,287	—	166,895,820		
Funds held for deferred compensation:						
Money market funds	1,140,664	—	—	1,140,664	Daily	One
Equity mutual funds	5,146,303	—	—	5,146,303	Daily	One
Fixed-income mutual funds	518,986	—	—	518,986	Daily	One
Corporate bonds	—	901,798	—	901,798	Daily	One
Total funds held for deferred compensation	6,805,953	901,798	—	7,707,751		
Total assets at fair value	\$ 164,214,829	999,085	—	183,217,111		

(1) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in the table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

There were no transfers between levels during the year ended December 31, 2018 or 2017.

The Association is invested in alternative investment funds at December 31, 2018 and 2017 for which the net asset value is used as a practical expedient to determine fair value in accordance with ASC Subtopic 820-10. The Association has no contractual commitments to fund the alternative investment funds. The balances in these funds were \$17,964,702 and \$18,003,197 at December 31, 2018 and 2017, respectively.

##### (5) Property and Equipment

Property and equipment at December 31, 2018 and 2017 consisted of the following:

<b>2018</b>			
	<b>Chicago, IL</b>	<b>Washington, D.C.</b>	<b>Total</b>
Land	\$ 712,113	3,030,000	3,742,113
Building	12,381,169	14,264,074	26,645,243
Building improvements	68,992,924	4,503,824	73,496,748
Furniture and equipment	38,570,367	3,506,564	42,076,931
Tenant leasehold improvements	9,644,460	2,476,015	12,120,475
	130,301,033	27,780,477	158,081,510
Less accumulated depreciation and amortization	101,641,581	16,887,644	118,529,225
	<u>\$ 28,659,452</u>	<u>10,892,833</u>	<u>39,552,285</u>
<b>2017</b>			
	<b>Chicago, IL</b>	<b>Washington, D.C.</b>	<b>Total</b>
Land	\$ 712,113	3,030,000	3,742,113
Building	12,381,169	11,572,308	23,953,477
Building improvements	75,208,430	4,301,067	79,509,497
Furniture and equipment	54,654,950	1,335,988	55,990,938
Tenant leasehold improvements	9,597,654	3,212,105	12,809,759
	152,554,316	23,451,468	176,005,784
Less accumulated depreciation and amortization	122,091,412	15,204,604	137,296,016
	<u>\$ 30,462,904</u>	<u>8,246,864</u>	<u>38,709,768</u>

The Association leases portions of both the headquarters building in Chicago, Illinois and the Washington, D.C. office building to unrelated parties under operating leases with varying terms. These amounts may be adjusted upon renewal of the leases. Minimum future rentals to be earned from leases currently in effect as of December 31, 2018 are as follows:

2019	\$ 6,447,123
2020	5,495,149
2021	5,201,442
2022	4,860,519
2023	4,649,277
Thereafter	<u>32,172,559</u>
	<u>\$ 58,826,069</u>

Building expenses include the cost of facilities occupied by the Association, as well as those costs related to other tenants.

#### **(6) Deferred Compensation**

Pursuant to agreements between the Association and certain officers and employees of the Association and its affiliates, portions of their compensation have been retained by the Association and invested as directed by those participants. The assets are owned by the Association until distributed to the participants after termination of employment or services.

#### **(7) Income Taxes**

On December 22, 2017, President Trump signed into law H.R. 1, originally known as the Tax Cuts and Jobs Act. The new law includes several provisions that result in substantial changes to the tax treatment of tax-exempt organizations and their donors. The Association has reviewed these provisions and the potential impact and concluded the enactment of H.R. 1 will not have a material effect on the operations of the organization.

The Association and ADAF have received favorable determination letters from the Internal Revenue Service (IRS) stating that they are exempt from taxation on income related to their exempt purposes under Section 501(a) of the Code as organizations described in Sections 501(c)(6) and 501(c)(3), respectively. As exempt organizations, the Association and ADAF are subject to federal and state income taxes on income determined to be unrelated business taxable income. ADPAC is exempt from federal income taxes under Section 527 of the Code, except on net investment income. The income of the Association's for-profit subsidiary, ADABEI, determined separately, is also subject to federal and state income taxes.

The Association accounts for income taxes using the provisions of ASC Topic 740. Under ASC Topic 740, deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates and laws expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided when it is more likely than not that some portion of deferred tax assets will not be realized.

A net deferred tax asset of \$41,997 and \$19,657 as of December 31, 2018 and 2017, respectively, is attributable primarily to postretirement benefits and other timing differences. ADABEI has established a valuation allowance for its deferred tax assets related to a carryover of the capital losses, as it has determined it will not meet the more-likely-than-not threshold for recovery of these assets. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that ADABEI will realize the benefits of these deductible differences, net of the existing valuation allowance of \$0 and \$3,187 at December 31, 2018 and 2017, respectively.

ADABIG is a new ADA subsidiary in 2018 and has generated a taxable loss through December 31, 2018 as a result of incurring start-up costs. Deferred tax assets were generated by ADABIG related to these losses from the start-up costs incurred. As ADABIG is a start-up entity, it has recognized a valuation allowance equal to these net operating loss carry forwards due to the uncertainty of ADABIG being able to realize the expected benefits in futures periods of these net operating loss carry forwards.

Income tax expense differs from the amount computed by applying the statutory federal income tax rate of 21% to income before income tax expense primarily because a significant portion of consolidated income is exempt from income tax. Income tax expense is computed by applying the statutory federal and state income tax rate to net unrelated business income earned for the years ended December 31, 2018 and 2017. Income tax expense for the years ended December 31, 2018 and 2017 is as follows:

	<u>2018</u>	<u>2017</u>
Current:		
Federal	\$ 749,690	1,109,008
State	<u>374,581</u>	<u>307,796</u>
Current income tax expense	<u>1,124,271</u>	<u>1,416,804</u>
Deferred:		
Federal	(15,560)	32,666
State	(6,858)	7,334
Change in valuation allowance	<u>78</u>	<u>(1,391)</u>
Deferred income tax expense (benefit)	<u>(22,340)</u>	<u>38,609</u>
Income tax expense	<u>\$ 1,101,931</u>	<u>1,455,413</u>



Net deferred tax assets at December 31, 2018 and 2017 consisted of the following:

	<u>2018</u>	<u>2017</u>
Deferred tax assets resulting from:		
Postretirement health benefits	\$ 40,825	40,628
Depreciation	998	491
Unrealized gains and losses in fair value of marketable securities	174	(21,462)
Capital loss carryforward	<u>—</u>	<u>3,187</u>
Total deferred tax assets, net	41,997	22,844
Valuation allowance	<u>—</u>	<u>(3,187)</u>
Total deferred tax assets, net of valuation allowance	<u>\$ 41,997</u>	<u>19,657</u>

## **(8) Employee Benefit Plans**

### **(a) *Defined-Benefit Plan and Supplemental Plan***

The Association sponsors a noncontributory defined-benefit pension plan (the Plan) covering substantially all employees of the Association, its subsidiaries, and its affiliates meeting certain eligibility requirements. Generally, the Association's funding policy is to make annual contributions to the Plan equal to an amount calculated by an outside consulting actuary in accordance with the funding requirements of the Employee Retirement Income Security Act of 1974. Retirement benefit payments are based on years of credited service, average compensation during the five years of employment that produce the highest average, and the average Social Security limit at employment termination date.

The Association recognizes the cost related to employee service using the unit credit cost method. Gains and losses, calculated as the difference between estimates and actual amounts of plan assets and the projected benefit obligation, and prior service costs are amortized over the expected future service period.

The Association accounts for the defined-benefit pension plan in accordance with ASC Topic 715, *Compensation – Retirement Benefits*. ASC Topic 715 requires recognition in the consolidated statements of financial position of the funded status of defined-benefit pension plans and other postretirement benefit plans, including all previously unrecognized actuarial gains and losses and unamortized prior service cost, as a component of unrestricted net assets.

Pursuant to agreements between the Association and a certain prior employee, the Association also maintains a frozen unfunded supplemental retirement income plan funded through Association general assets. There are no investments designated for the supplemental plan for 2018 or 2017.

The IRS has informed the Employees' Retirement Trust administration that the Plan is qualified under provisions of the Code, and therefore, the related trust is exempt from federal income taxes. The Employees' Supplemental Trust is a nonqualified plan and, as such, is not exempt from federal income taxes.

The following tables set forth the Plan's funded status and amounts recognized in the Association's consolidated financial statements:

	<b>2018</b>		
	<b>Employees' retirement trust</b>	<b>Employees' supplemental trust</b>	<b>Total</b>
Change in projected benefit obligation:			
Projected benefit obligation, beginning of year	\$ 225,315,558	1,524,243	226,839,801
Service cost	2,661,904	—	2,661,904
Interest cost	8,969,102	59,841	9,028,943
Actuarial gain	(16,782,552)	(109,569)	(16,892,121)
Benefits paid	(10,434,585)	(92,796)	(10,527,381)
Projected benefit obligation, end of year	<u>\$ 209,729,427</u>	<u>1,381,719</u>	<u>211,111,146</u>
Change in plan assets:			
Fair value of plan assets, beginning of year	\$ 173,791,911	—	173,791,911
Actual return on plan assets	(9,270,900)	—	(9,270,900)
Employer contributions	7,278,212	92,796	7,371,008
Benefits paid	(10,434,585)	(92,796)	(10,527,381)
Fair value of plan assets, end of year	<u>\$ 161,364,638</u>	<u>—</u>	<u>161,364,638</u>
Funded status, end of year:			
Fair value of plan assets	\$ 161,364,638	—	161,364,638
Benefit obligation	<u>209,729,427</u>	<u>1,381,719</u>	<u>211,111,146</u>
Funded status	<u>\$ (48,364,789)</u>	<u>(1,381,719)</u>	<u>(49,746,508)</u>
Amounts recognized in the accompanying consolidated statements of financial position:			
Pension liability	\$ 48,364,789	1,381,719	49,746,508
Accumulated benefit obligation in net periodic benefit expense and included as accumulated charges to net assets without donor restrictions:			
Prior service cost	\$ (2,461,610)	—	(2,461,610)
Net actuarial loss	<u>74,870,483</u>	<u>—</u>	<u>74,870,483</u>
Net amounts included as an accumulated charge to net assets without donor restrictions	<u>\$ 72,408,873</u>	<u>—</u>	<u>72,408,873</u>

	2018		
	Employees' retirement trust	Employees' supplemental trust	Total
Components of net periodic benefit cost:			
Service cost	\$ 2,661,904	—	2,661,904
Interest cost	8,969,102	59,841	9,028,943
Expected return on plan assets	(12,549,051)	—	(12,549,051)
Prior service cost	(1,491,883)	—	(1,491,883)
Recognized net loss	6,363,082	52,364	6,415,446
Net periodic benefit cost	<u>\$ 3,953,154</u>	<u>112,205</u>	<u>4,065,359</u>
Calculation of change in net assets without donor restrictions:			
Accumulated net assets without donor restrictions, end of year	\$ 72,408,873	—	72,408,873
Reversal of accumulated net assets without donor restrictions	(72,404,606)	—	(72,404,606)
Change in net assets without donor restrictions	<u>\$ 4,267</u>	<u>—</u>	<u>4,267</u>
Other changes in plan assets and benefit obligations recognized in net assets without donor restrictions:			
Net loss experienced during the year	\$ 4,927,830	—	4,927,830
Amortization of prior service cost due to plan amendments	1,491,883	—	1,491,883
Amortization of unrecognized net loss	(6,415,446)	—	(6,415,446)
Net amounts recognized in net assets without donor restrictions	<u>\$ 4,267</u>	<u>—</u>	<u>4,267</u>
Estimate of amounts that will be amortized out of unrestricted net assets into net pension expense in 2019:			
Net loss	\$ 6,172,143	—	6,172,143
Prior service cost	(1,491,883)	—	(1,491,883)
Weighted average assumptions as of December 31:			
Discount rate	4.72%	4.72%	
Expected return on plan assets	7.20	7.20	
Rate of compensation increase	3.00	3.00	

	2017		
	Employees' retirement trust	Employees' supplemental trust	Total
Change in projected benefit obligation:			
Projected benefit obligation, beginning of year	\$ 205,456,084	1,441,960	206,898,044
Service cost	2,220,788	—	2,220,788
Interest cost	9,475,132	65,593	9,540,725
Actuarial loss	18,673,042	109,486	18,782,528
Benefits paid	(10,509,488)	(92,796)	(10,602,284)
Projected benefit obligation, end of year	\$ <u>225,315,558</u>	<u>1,524,243</u>	<u>226,839,801</u>
Change in plan assets:			
Fair value of plan assets, beginning of year	\$ 150,509,718	—	150,509,718
Actual return on plan assets	27,616,681	—	27,616,681
Employer contributions	6,175,000	92,796	6,267,796
Benefits paid	(10,509,488)	(92,796)	(10,602,284)
Fair value of plan assets, end of year	\$ <u>173,791,911</u>	<u>—</u>	<u>173,791,911</u>
Funded status, end of year:			
Fair value of plan assets	\$ 173,791,911	—	173,791,911
Benefit obligation	<u>225,315,558</u>	<u>1,524,243</u>	<u>226,839,801</u>
Funded status	\$ <u>(51,523,647)</u>	<u>(1,524,243)</u>	<u>(53,047,890)</u>
Amounts recognized in the accompanying consolidated statements of financial position:			
Pension liability	\$ 51,523,647	1,524,243	53,047,890
Accumulated benefit obligation in net periodic benefit expense and included as accumulated charges to net assets without donor restrictions:			
Prior service cost	\$ (3,953,493)	—	(3,953,493)
Net actuarial loss	<u>76,358,099</u>	<u>—</u>	<u>76,358,099</u>
Net amounts included as an accumulated charge to net assets without donor restrictions	\$ <u>72,404,606</u>	<u>—</u>	<u>72,404,606</u>

	2017		
	Employees' retirement trust	Employees' supplemental trust	Total
Components of net periodic benefit cost:			
Service cost	\$ 2,220,788	—	2,220,788
Interest cost	9,475,132	65,593	9,540,725
Expected return on plan assets	(10,514,860)	—	(10,514,860)
Prior service cost	(1,491,883)	—	(1,491,883)
Recognized net loss	7,191,278	—	7,191,278
Net periodic benefit cost	<u>\$ 6,880,455</u>	<u>65,593</u>	<u>6,946,048</u>
Calculation of change in net assets without donor restrictions:			
Accumulated net assets without donor restrictions, end of year	\$ 72,404,606	—	72,404,606
Reversal of accumulated net assets without donor restrictions, prior year	<u>(76,423,294)</u>	<u>—</u>	<u>(76,423,294)</u>
Change in net assets without donor restrictions, prior year	<u>\$ (4,018,688)</u>	<u>—</u>	<u>(4,018,688)</u>
Other changes in plan assets and benefit obligations recognized in net assets without donor restrictions:			
Net loss experienced during the year	\$ 1,680,707	—	1,680,707
Amortization of prior service cost due to plan amendments	1,491,883	—	1,491,883
Amortization of unrecognized net loss	<u>(7,191,278)</u>	<u>—</u>	<u>(7,191,278)</u>
Net amounts recognized in net assets without donor restrictions	<u>\$ (4,018,688)</u>	<u>—</u>	<u>(4,018,688)</u>
Estimate of amounts that will be amortized out of net assets without donor restrictions into net pension expense in 2018:			
Net loss	\$ 6,134,185	—	6,134,185
Prior service cost	(1,491,883)	—	(1,491,883)
Weighted average assumptions as of December 31:			
Discount rate	4.03%	4.03%	
Expected return on plan assets	7.00	7.00	
Rate of compensation increase	3.00	3.00	

The discount rate is determined each year as of the measurement date based on a review of interest rates associated with long-term, high-quality corporate bonds. The discount rate determined on each

measurement date is used to calculate the benefit obligation as of that date and is also used to calculate the net periodic benefit cost for the upcoming plan year.

The Plan's expected return on assets assumption is derived from a review of actual historical returns achieved by the Plan and anticipated future long-term performance of individual asset classes with consideration given to the appropriate investment strategy. While the method gives appropriate consideration to recent trust performance and historical returns, the assumption represents a long-term prospective return. The expected return on plan assets determined on each measurement dates is used.

The Association contributed \$7,371,008 to the Plan in 2018. The minimum funding contributions for the Plan years 2018 and 2017 were \$2,477,933 and \$6,089,090, respectively. The assets of the Plan are held in various investment manager funds and comprised mutual funds and a guaranteed investment contract.

The table below reflects the total pension benefits expected to be paid in each of the next five years and in the aggregate for the five years thereafter:

2019	\$ 10,826,922
2020	11,238,233
2021	11,833,388
2022	12,041,916
2023	12,512,522
Thereafter	<u>68,601,093</u>
	<u>\$ 127,054,074</u>

The expected benefits are based on the same assumptions used to measure the Association's benefit obligations at December 31 and include estimated future employee service.

The actual allocations for the pension assets as of December 31, 2018 and 2017, and target allocations by asset category, are as follows:

Asset category	2018	
	Actual allocation	Target allocation
Fixed income	53%	50%
Equity:		
Domestic small-cap	14	15
Domestic large-cap value	8	9
Domestic large-cap growth	8	8
International	<u>17</u>	<u>18</u>
	<u>100%</u>	<u>100%</u>

Asset category	2017	
	Actual allocation	Target allocation
Fixed income	38%	40%
Equity:		
Domestic small-cap	12	11
Domestic large-cap value	10	10
Domestic large-cap growth	18	18
International	22	21
	100%	100%

Pension assets are allocated with a goal to achieve diversification between and within various asset classes. The target asset allocations are expected to earn an average annual rate of return of approximately 7.2% measured over a planning horizon of 25 years with a reasonable and acceptable level of risk. Actual allocation percentages will vary from target allocation percentages based upon short-term fluctuations in cash flows and benefit payments.

Domestic equity includes securities of domestic companies listed on the U.S. exchanges or traded OTC, diversified across industry, and individual holdings. International equity includes securities primarily of companies located outside the U.S. diversified across countries and industries. Fixed income refers to a diversified portfolio of marketable debt instruments with an average quality rating of at least AA or equivalent.

**(b) Fair Value of Financial Instruments**

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2018 or 2017.

Guaranteed investment contract: Valued at contract value, which approximates fair value. The guaranteed investment contract is included in the consolidated financial statements at fair value, which represents contributions made under the contract plus earnings, less withdrawals, and expenses.

Equity and fixed-income mutual funds and common collective trust fund: Valued at the net asset value of shares held by the Plan at year-end at the closing price reported in the active market in which the individual securities are traded. The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**(c) Fair Value Hierarchy**

The Plan has adopted ASC Section 715-20-50 for fair value measurements of financial assets and liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair

value in the consolidated financial statements on a recurring basis. ASC Section 715-20-50 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The Plan's policy is to recognize transfers between levels of the fair value hierarchy on the actual date of the event or change in circumstances that caused the transfer. There were no transfers into or out of Level 1, Level 2, or Level 3 during the year ended December 31, 2018 or 2017.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2018 and 2017:

	2018				Redemption or liquidation	Days' notice
	Total	Level 1	Level 2	Level 3		
Guaranteed investment contract (1)	\$ 661,404				Daily (2)	One (2)
Common collective trust fund:						
William Blair Small-Mid Cap Growth Fund	6,298,637	6,298,637	—	—	Daily	Ten
Equity mutual funds:						
Dodge & Cox Stock Fund	12,642,679	12,642,679	—	—	Daily	One
Vaughan Nelson Opportunity Fund	5,970,041	5,970,041	—	—	Daily	One
Vanguard Institutional Index Fund	10,394,472	10,394,472	—	—	Daily	One
T. Rowe Price Growth Fund	12,848,878	12,848,878	—	—	Daily	One
Templeton Institutional Funds, Inc.						
International Equity series	13,637,290	13,637,290	—	—	Daily	One
GMO International equity fund	13,637,618	13,637,618	—	—	Daily	One
Total equity mutual funds	69,130,978	69,130,978	—	—		
Fixed-income mutual funds:						
Vanguard Intermediate-Term Index Bond Fund	15,300,274	15,300,274	—	—	Daily	One
Vanguard Long-Term Bond Index Fund	23,665,936	23,665,936	—	—	Daily	One
Vanguard Long-Term Corporate Bond Fund	46,335,617	46,335,617	—	—	Daily	One
Total fixed income mutual funds	85,301,827	85,301,827	—	—		
Accrued fees	(28,208)	—	—	—		
Total	\$ 161,364,638	160,731,442	—	—		

- (1) Certain investments that are measured at fair value using the net asset value (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in note 8.
- (2) Per the group contract agreement with Great West Life Assurance Company, a partial withdrawal can be requested daily any time prior to a termination date election. An election to terminate the contract agreement requires a 30-day written notice.



	2017				Redemption or liquidation	Days' notice
	Total	Level 1	Level 2	Level 3		
Guaranteed investment contract (1)	\$ 1,576,242				Daily (2)	One (2)
Common collective trust fund:						
William Blair Small-Mid Cap Growth Fund	9,690,150	9,690,150	—	—	Daily	Ten
Equity mutual funds:						
Dodge & Cox Stock Fund	17,729,996	17,729,996	—	—	Daily	One
Vaughan Nelson Opportunity Fund	9,719,333	9,719,333	—	—	Daily	One
Vanguard Institutional Index Fund	13,927,797	13,927,797	—	—	Daily	One
T. Rowe Price Growth Fund	17,503,512	17,503,512	—	—	Daily	One
Templeton Institutional Funds, Inc.						
International Equity series	18,854,716	18,854,716	—	—	Daily	One
GMO International equity fund	19,003,469	19,003,469	—	—	Daily	One
Total equity mutual funds	96,738,823	96,738,823	—	—		
Fixed-income mutual funds:						
Vanguard Intermediate-Term Index Bond Fund	10,413,077	10,413,077	—	—	Daily	One
Vanguard Long-Term Bond Index Fund	17,830,046	17,830,046	—	—	Daily	One
Vanguard Long-Term Corporate Bond Fund	37,572,821	37,572,821	—	—	Daily	One
Total fixed income mutual funds	65,815,944	65,815,944	—	—		
Accrued fees	(29,248)	—	—	—		
Total	\$ 173,791,911	172,244,917	—	—		

- (1) Certain investments that are measured at fair value using the net asset value (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in note 8.
- (2) Per the group contract agreement with Great West Life Assurance Company, a partial withdrawal can be requested daily any time prior to a termination date election. An election to terminate the contract agreement requires a 30-day written notice.

**(d) 401(k) Plan**

The Association has a savings and retirement plan for all eligible employees (the Savings Plan). The Association, at its discretion, contributes a predetermined amount to the plan. The Association may contribute to the accounts of eligible employees in lieu of the matching contributions provisions, which are suspended. For 2018 and 2017, the Association contributed 4% per year of each eligible employee's base salary. The Association's contributions under the Savings Plan were \$1,759,708 and \$1,607,657 in 2018 and 2017, respectively.

The IRS has informed the Savings Plan administrator that the plan is qualified under provisions of the Code, and therefore, the related trust is exempt from federal income taxes.

**(e) Postretirement Health Plan**

The Association sponsors a contributory defined-benefit postretirement health plan, which covers substantially all employees of the Association, its subsidiaries, and affiliates. The plan provides both medical and dental benefits. For 2018 and 2017, the medical plan annual reimbursement limit for retirees at retirement and for ages 65–74 is \$1,500 and increases up to \$1,800 from age 75 for life. For 2018 and 2017, each eligible dental plan participant is reimbursed 100% of qualified dental expenses to an annual limit of \$1,300.

The following table sets forth the plan's funded status:

	<u>2018</u>	<u>2017</u>
Change in benefit obligation:		
Benefit obligation, beginning of year	\$ 12,426,717	11,378,082
Service cost	355,834	351,296
Interest cost	485,668	507,912
Actuarial (gain) loss	(1,576,548)	535,267
Benefits paid	<u>(323,514)</u>	<u>(345,840)</u>
Benefit obligation, end of year	\$ <u><u>11,368,157</u></u>	<u><u>12,426,717</u></u>
Change in plan assets:		
Employer contributions	\$ 323,514	345,840
Benefits paid	<u>(323,514)</u>	<u>(345,840)</u>
Plan assets, end of year	\$ <u><u>—</u></u>	<u><u>—</u></u>
Funded status, end of year:		
Benefit obligation	\$ 11,368,157	12,426,717
Accumulated benefit obligation	11,368,157	12,426,717

	<u>2018</u>	<u>2017</u>
Components of net periodic benefit cost:		
Service cost	\$ 355,834	351,296
Interest cost	485,668	507,912
Amortization of prior service cost	(1,459,910)	(1,459,910)
Recognized net loss	<u>335,955</u>	<u>309,093</u>
Net periodic benefit cost	<u>\$ (282,453)</u>	<u>(291,609)</u>
Amounts recognized in the accompanying consolidated statements of financial position:		
Postretirement benefit obligation	\$ 11,368,157	12,426,717
Amounts not yet reflected in net periodic benefit expense and included as accumulated charges to net assets without donor restrictions:		
Net actuarial loss	\$ 2,859,049	4,771,552
Prior service cost	<u>(3,299,393)</u>	<u>(4,759,303)</u>
Net amounts included as an accumulated charge to net assets without donor restrictions	<u>\$ (440,344)</u>	<u>12,249</u>
Calculation of change in net assets without donor restrictions:		
Accumulated net assets without donor restrictions, end of year	\$ (440,344)	12,249
Reversal of accumulated net assets without donor restrictions, prior year	<u>(12,249)</u>	<u>1,673,835</u>
Change in net assets without donor restrictions	<u>\$ (452,593)</u>	<u>1,686,084</u>
Other changes in plan assets and benefit obligations recognized in net assets without donor restrictions:		
Net (gain) loss experienced during the year	\$ (1,576,548)	535,267
Amortization of net loss	(335,955)	(309,093)
Amortization of prior service cost	<u>1,459,910</u>	<u>1,459,910</u>
Net amounts recognized in net assets without donor restrictions	<u>\$ (452,593)</u>	<u>1,686,084</u>
Estimate of amounts that will be amortized out of net assets without donor restrictions into net postretirement benefit expense in 2019 and 2018:		
Net gain	\$ (441,294)	(209,269)
Prior service cost	(1,459,910)	(1,459,910)

	<u>2018</u>	<u>2017</u>
Weighted average assumptions used to determine obligations at December 31:		
Discount rate	4.72%	4.03%
Weighted average assumptions used to determine net periodic benefit cost for the years ended December 31:		
Discount rate	4.03%	4.68%
Dental care trend rate	4.00	4.00
Medical care trend rate	6.00	n/a

The table below reflects the postretirement health payments expected in each of the next five years and in the aggregate for the five years thereafter:

	<u>Gross payments</u>
2019	\$ 455,848
2020	503,172
2021	539,542
2022	574,782
2023	606,163
2024–2028	3,531,343

#### (9) Net Assets

Net assets at December 31 consisted of the following:

Net assets	<u>2018</u>	<u>2017</u>
Without donor restrictions:		
Designated by the board		
Strategic projects	\$ 24,215,946	22,367,908
Scientific research fund	181,887	189,157
Capital expenditures	5,953,081	2,687,448
Designated for saving	46,478,184	38,579,764
Undesignated	<u>40,982,638</u>	<u>60,163,631</u>
Total net assets without donor restrictions	<u>117,811,736</u>	<u>123,987,908</u>
With donor restrictions:		
Donor-restricted endowments	9,747,014	11,167,052
Purpose restricted	<u>5,295,501</u>	<u>5,771,915</u>
Total net assets with donor restrictions	<u>15,042,515</u>	<u>16,938,967</u>
Total net assets	<u>\$ 132,854,251</u>	<u>140,926,875</u>

Net assets with donor restrictions are restricted for the following purposes:

	<b>2018</b>	<b>2017</b>
Donor-restricted endowments subject to spending policy and appropriation to support the following purposes:		
Charitable financial assistance	\$ 6,659,634	7,748,445
Access to care and educational activities	3,087,380	3,418,607
Total donor-restricted endowments	<u>9,747,014</u>	<u>11,167,052</u>
Donor-restricted subject to expenditure for specified purposes:		
Research	2,449,219	1,491,713
Access programs	1,349,981	1,374,280
Trusts	295,021	1,187,485
Education programs	321,922	634,732
Political and legislative	867,900	948,774
Relief and other	11,458	134,931
Total donor-restricted subject to expenditure for specified purposes	<u>5,295,501</u>	<u>5,771,915</u>
Total net assets with donor restrictions	<u>\$ 15,042,515</u>	<u>16,938,967</u>

Net assets with donor restrictions associated with donor-restricted endowments totaled \$9,747,014 and \$11,167,052 at December 31, 2018 and 2017, respectively. Earnings on these net assets are restricted by donors for charitable financial assistance, access to care, and children's oral health and education in dental entrepreneurship and leadership. Board-designated endowment net assets in the amount of \$181,887 at December 31, 2018 and 2017 represent a matching contribution from the board that is board designated for access to care and educational activities.

Net assets were released from donor restrictions by incurring expenses satisfying the donor-restricted purposes as follows:

	<b>2018</b>	<b>2017</b>
Research	\$ 42,883	46,002
Access	2,671,770	2,957,200
Awards	8,036	40,079
Trusts	20	768
Education	125,057	77,416
Political and legislative	1,956,202	1,397,728
Relief program	535,372	332,531
	<u>\$ 5,339,340</u>	<u>4,851,724</u>

## **(10) Endowment Funds**

The Association's endowments consist of various individual funds to support access to care and educational activities within the ADAF. Net assets related to the ADAF endowments are donor-restricted endowment funds, classified and reported based upon the donor-imposed restrictions.

The Uniform Prudent Management of Institutional Funds Act (UPMIFA), which was enacted in the state of Illinois in 2009, does not preclude the Association from spending below the original gift value of donor-restricted endowment funds.

For accounting and reporting purposes, the Association classifies as net assets with donor restrictions, the historical value of donor-restricted endowment funds, which includes (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) changes to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. Also included in net assets with donor restrictions is accumulated appreciation (depreciation) on donor restricted endowment funds, which are available for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA, and deficiencies associated with funds where the value of the fund has fallen below the original value of the gift.

To make a determination to expend or accumulate donor-restricted endowment funds, the ADAF considers a number of factors, including the duration and preservation of the fund, purposes of the donor-restricted fund, general economic conditions, the possible effects of inflation and deflation, the expected total return from income and the appreciation of investments, other resources of the ADAF, and the investment policies of the ADAF.

### **(a) Funds with Deficiencies**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain permanently. Deficiencies of this nature exist in the Charitable financial assistance fund (relief fund) which had an original value of \$7,176,711, a current value of \$6,659,634, and a deficiency of \$(517,077) as of December 31, 2018. This deficiency resulted from unfavorable market fluctuations during 2018.

The ADAF has an expenditure policy that permits spending from underwater endowment funds considering it does so prudently and considers factors including, but not limited to, the duration and preservation of the endowment fund and general economic conditions. The governing board appropriated for expenditure \$360,140 during 2019, which represents 5% of the 12-quarter moving average.

The table below represents a summary of the ADAF's endowments, including a summary of the underwater endowment at December 31, 2018:

		With donor restrictions			Total endowment funds as of December 31, 2018
		Without donor restrictions	Original Gift	Accumulated gains (losses)	Total with donor restrictions
Board-designated funds	\$	181,887	—	—	—
Donor-restricted funds					
Underwater fund – Charitable financial assistance		—	7,176,711	(517,077)	6,659,634
Access to care and educational activities fund		—	2,138,842	948,538	3,087,380
Total endowment funds	\$	<u>181,887</u>	<u>\$ 9,315,553</u>	<u>\$ 431,461</u>	<u>\$ 9,747,014</u>
					<u>\$ 9,928,901</u>

**(b) Return Objectives and Risk Parameters**

The Foundation has adopted investment and spending policies for endowment assets that attempt to enhance its ability to support activities, provide long-term real, inflation-adjusted growth in assets, and support financial flexibility and liquidity. Under this policy, as approved by the Board, the Foundation's assets are to be adequately diversified to provide a high degree of stability of principal in order to maintain the ability to provide financial assistance to support education and access to care programs. The assets are to be invested in a manner that is intended to grow in real, inflation-adjusted terms and maintain its ability to support spending needs. In addition, the assets are to be efficiently structured to provide the highest level of return within the risk parameters established by the Board.

**(c) Strategies Employed for Achieving Objectives**

There are distinct asset pools and the asset allocation of the pools is the major determinant of investment risk exposure, real return levels, and current income generation. The endowments have variable spending needs, and the related asset pools are structured to support such spending needs.

**(d) Spending Policy and How the Investment Objectives Relate to Spending Policy**

Through December 2018, the ADAF had an active Investment Subcommittee that met regularly to ensure the objectives of the investment policy were being met, and the strategies used to meet the objectives were in accordance with the investment policy. At the December 2018 ADAF Board meeting, the Investment Subcommittee was dissolved and its duties were absorbed by the ADAF Finance Committee.

During 2018, the ADAF had the following activities related to endowment net assets:

	<b><u>Board-designated endowment funds</u></b>	<b><u>Donor-restricted endowment funds</u></b>	<b><u>Total</u></b>
Endowment net assets, beginning of year	\$ 189,157	11,167,052	11,356,209
Investment return, net	(7,270)	(762,626)	(769,896)
Contributions	—	150	150
Appropriation of endowment assets for expenditures	—	(657,562)	(657,562)
Total change in endowment net assets	<u>(7,270)</u>	<u>(1,420,038)</u>	<u>(1,427,308)</u>
Endowment net assets, end of year	\$ <u>181,887</u>	<u>9,747,014</u>	<u>9,928,901</u>

During 2017, the ADAF had the following activities related to endowment net assets:

	<b><u>Board-designated endowment funds</u></b>	<b><u>Donor-restricted endowment funds</u></b>	<b><u>Total</u></b>
Endowment net assets, beginning of year	\$ 205,677	2,929,585	3,135,262
Investment return, net	8,612	1,161,743	1,170,355
Appropriation of endowment assets for expenditures	(25,132)	(100,987)	(126,119)
Reclassification of purpose restricted relief fund to a perpetual endowment fund	—	7,176,711	7,176,711
Total change in endowment net assets	<u>(16,520)</u>	<u>8,237,467</u>	<u>8,220,947</u>
Endowment net assets, end of year	\$ <u>189,157</u>	<u>11,167,052</u>	<u>11,356,209</u>



## (11) Functional Expenses

The costs of providing the program and support services are reported below on a functional basis. The ADA's main programs are membership/professional advancement, research, the ADA business group, philanthropy, and advocacy. The financial statements contain certain categories of ADAF expenses attributable to one or more programs or supporting programs of the ADAF. These ADAF-allocated expenses include salaries and benefits that are allocated on the basis of estimates of time and effort.

Expenses by functional classification for the year ended December 31, 2018 are as follows:

	Program activities						Supporting activities			Total ADA
	Membership/professional advancement	Research (including ADAF)	ADA Business Group (including ADABEI)	Philanthropy (ADAF)	Advocacy (including ADPAC)	Total program activities	Management and general	Fundraising (ADAF)	Total supporting activities	
Compensation	\$ 20,010,377	6,823,135	9,085,583	498,280	4,201,512	40,618,887	23,140,241	170,035	23,310,276	63,929,163
Outside services	11,884,466	711,434	4,561,558	111,593	1,543,361	18,812,412	7,017,510	13,761	7,031,271	25,843,683
Printing, publication, and marketing	789,568	49,768	6,472,232	405,683	353,158	8,070,409	1,814,809	22,003	1,836,812	9,907,221
Meeting and travel expenses	2,984,093	400,806	2,797,098	90,235	1,427,019	7,699,251	2,225,055	113,301	2,338,356	10,037,607
Office and facility expenses	631,203	481,966	1,686,157	3,957	355,989	3,159,272	9,523,362	9,656	9,533,018	12,692,290
Grants and awards	263,264	17,500	30,200	2,666,454	3,410,472	6,387,890	113,431	51	113,482	6,501,372
Depreciation and amortization	-	350,871	62,086	-	161,389	574,346	6,307,275	-	6,307,275	6,881,621
Other expenses	1,522,827	44,793	1,670,707	12,842	31,832	3,283,001	1,998,219	1,112	1,999,331	5,282,332
Total expenses	\$ 38,085,798	8,880,273	26,365,621	3,789,044	11,484,732	88,605,468	52,139,902	329,919	52,469,821	141,075,289

Expenses by functional classification for the year ended December 31, 2017 are as follows:

	Program activities						Supporting Activities			Total ADA
	Membership/professional advancement	Research (including ADAF)	ADA Business Group (including ADABEI)	Philanthropy (ADAF)	Advocacy (including ADPAC)	Total program activities	Management and general	Fundraising (ADAF)	Total supporting activities	
Compensation	\$ 18,478,038	6,663,759	7,822,897	672,694	4,144,598	37,781,786	27,293,928	138,554	27,432,482	65,214,268
Outside services	11,961,440	556,031	4,978,084	109,040	1,696,883	19,301,478	8,763,529	18,823	8,782,352	28,083,830
Printing, publication, and marketing	1,048,387	41,349	7,140,122	254,923	204,536	8,689,317	2,038,746	19,047	2,057,793	10,747,110
Meeting and travel expenses	3,161,716	500,928	2,241,968	119,668	1,392,609	7,416,889	2,098,045	47,024	2,145,069	9,561,958
Office and facility expenses	509,969	433,937	1,297,923	20,983	237,863	2,500,675	8,606,760	5,910	8,612,670	11,113,345
Grants and awards	216,392	81,500	65,500	3,099,436	3,029,928	6,492,756	(16,696)	-	(16,696)	6,476,060
Depreciation and amortization	-	219,226	60,722	-	110,583	390,531	6,367,525	-	6,367,525	6,758,056
Other expenses	1,416,948	27,865	1,764,903	10,724	35,773	3,256,213	2,283,679	-	2,283,679	5,539,892
Total expenses	\$ 36,792,890	8,524,595	25,371,919	4,287,468	10,852,773	85,829,645	57,435,516	229,358	57,664,874	143,494,519

## (12) Financial Assets and Liquidity Resources

The ADA's cash flows have seasonal variations through the year related to receipt of the membership dues, donation receipts at the ADAF, testing and accreditation fees, annual meeting revenues, product and publication sales, and grants. The ADA has approximately \$80,069,000 of financial assets available within one year of the consolidated balance sheet date to meet cash needs for general expenditures. All amounts related to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date have been removed from this total. The contributions receivable are subject to implied time restrictions but are expected to be collected within one year. ADA has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, ADA invests cash in excess of daily requirements in various short-term investments, including short-term treasury instruments, as described in note 4.

<b>Financial assets at year-end</b>		<b>2018</b>
Cash and cash equivalents	\$	9,330,586
Receivables		12,102,903
Less: Straight line rental income adjustment (DC and HQ) (not receivable within one year)		4,454,249
Net receivables available for operations		7,648,654
Marketable securities and alternative investments at fair market value		154,961,379
Less: Donor-restricted net assets		5,295,501
Less: Board-designated reserve commitments		70,876,017
Less: Board-designated capital replacement fund commitments		5,953,081
Less: Donor-restricted permanent endowments		9,747,014
Marketable securities less board designed commitments and donor restrictions		63,089,766
Financial assets available to meet cash needs for general expenditures within one year	\$	<u>80,069,006</u>

### (13) Commitments and Contingencies

Although management is not aware of any pending or threatened litigation, the Association may be subject to legal actions, claims, and proceedings arising in the ordinary course of business. The ultimate resolution of these matters, including any related financial effects on the Association, would be addressed if and when they are known. The Association has not provided for any potential future losses arising from the resolution of these matters in the accompanying consolidated financial statements. Despite the inherent uncertainties of litigation, management does not believe that the lawsuits would have a material adverse impact on the financial condition of the Association at this time.

### (14) Subsequent Events

In connection with the preparation of the consolidated financial statements and in accordance with ASC Topic 855, *Subsequent Events*, the Association evaluated subsequent events after the consolidated statement of financial position date of December 31, 2018 through June 24, 2019, which was the date the consolidated financial statements were available to be issued, noting no events requiring recording or disclosure.

Schedule 1

**AMERICAN DENTAL ASSOCIATION  
AND SUBSIDIARIES**

Consolidated Statement of Financial Position with Supplementary Consolidating Information

December 31, 2018

Assets	General fund											Total
	Operating division	Reserve division				Total general fund	ADPAC	ADAF	ADABEI	ADABIG	Eliminations	
	Operating account	Capital formation account	Capital fund	Reserve royalties fund	Investment account							
Cash and cash equivalents	\$ 6,906,629	—	—	—	—	6,906,629	716,882	895,576	811,499	—	—	9,330,586
Receivables, net	11,179,050	—	—	—	—	11,179,050	—	328,630	595,223	—	—	12,102,903
Due from affiliates	4,188,811	—	—	—	(3,818,542)	370,269	—	(234,977)	(135,292)	—	—	—
Deferred taxes	—	—	—	—	—	—	—	—	41,997	—	—	41,997
Income taxes receivable	461	—	—	—	—	461	(500)	—	211,350	—	—	211,311
Prepaid expenses and other assets	5,477,257	—	—	—	—	5,477,257	166,586	22,212	2,356	—	—	5,668,411
Inventories, net	770,349	—	—	—	—	770,349	—	—	—	—	—	770,349
Marketable securities and alternative investments	157,506	—	5,953,081	46,478,184	78,942,458	131,531,229	—	21,501,518	1,928,632	—	—	154,961,379
Investment in subsidiaries	—	4,333,577	—	—	—	4,333,577	—	—	—	—	(4,333,577)	—
Property and equipment, net	37,726,573	—	—	—	—	37,726,573	—	773,079	18,711	1,033,922	—	39,552,285
Funds held for deferred compensation	5,865,773	—	—	—	—	5,865,773	—	—	—	—	—	5,865,773
Total assets	\$ 72,272,409	4,333,577	5,953,081	46,478,184	75,123,916	204,161,167	882,968	23,286,038	3,474,476	1,033,922	(4,333,577)	228,504,994
Liabilities and Net Assets												
Accounts payable and accrued liabilities	\$ 13,526,961	—	—	—	—	13,526,961	15,068	1,067,732	174,821	—	—	14,784,582
Deferred revenue	13,885,723	—	—	—	—	13,885,723	—	300,000	—	—	(300,000)	13,885,723
Liability for deferred compensation	5,865,773	—	—	—	—	5,865,773	—	—	—	—	—	5,865,773
Postretirement benefit obligation	—	—	—	—	11,368,157	11,368,157	—	—	—	—	—	11,368,157
Pension liability	49,746,508	—	—	—	—	49,746,508	—	—	—	—	—	49,746,508
Total liabilities	83,024,965	—	—	—	11,368,157	94,393,122	15,068	1,367,732	174,821	—	(300,000)	95,650,743
Net assets (deficit):												
Without donor restrictions:												
Common stock	—	—	—	—	—	—	—	—	100,100	1,000	(101,100)	—
Additional paid-in capital	—	—	—	—	—	—	—	—	500,000	2,003,294	(2,503,294)	—
Other net assets without donor restrictions	(10,752,556)	4,333,577	5,953,081	46,478,184	63,755,759	109,768,045	—	7,743,691	2,699,555	(970,372)	(1,429,183)	117,811,736
With donor restrictions	—	—	—	—	—	—	867,900	14,174,615	—	—	—	15,042,515
Total net assets (deficit)	(10,752,556)	4,333,577	5,953,081	46,478,184	63,755,759	109,768,045	867,900	21,918,306	3,299,655	1,033,922	(4,033,577)	132,854,251
Total liabilities and net assets	\$ 72,272,409	4,333,577	5,953,081	46,478,184	75,123,916	204,161,167	882,968	23,286,038	3,474,476	1,033,922	(4,333,577)	228,504,994

See accompanying independent auditors' report.

Schedule 2

**AMERICAN DENTAL ASSOCIATION  
AND SUBSIDIARIES**

Consolidated Statement of Activities with Supplementary Consolidating Information

Year ended December 31, 2018

	General fund											
	Operating division	Reserve division				Total general fund	ADPAC	ADAF	ADABEI	ADABIG	Eliminations	Total
	Operating account	Capital formation account	Capital fund	Reserve royalties fund	Investment account							
Revenue:												
Membership dues	\$ 54,596,562	—	—	—	—	54,596,562	—	—	—	—	—	54,596,562
Advertising	6,551,444	—	—	—	—	6,551,444	—	—	—	—	(218,395)	6,333,049
Rental income	6,982,253	—	—	—	—	6,982,253	—	—	—	—	(141,878)	6,840,375
Publication and product sales	6,253,388	—	—	—	—	6,253,388	—	—	—	—	(114,456)	6,138,932
Testing and accreditation fees	26,968,183	—	—	—	—	26,968,183	—	—	—	—	—	26,968,183
Meeting and seminar income	7,841,960	—	—	—	—	7,841,960	—	3,150	—	—	(16,625)	7,828,485
Grants, contributions, and sponsorships	1,243,750	—	—	—	—	1,243,750	1,704,170	3,841,699	—	—	(170,700)	6,618,919
Grant from ADA	—	—	—	—	—	—	—	2,700,000	—	—	(2,700,000)	—
Royalties and service fees	10,829,442	—	—	6,576,675	—	17,406,117	—	26,099	2,456,820	—	—	19,889,036
Investment return, net	1,719,734	(784,632)	—	1,321,745	(8,153,851)	(5,897,004)	469	(1,091,122)	(35,448)	—	784,632	(6,238,473)
Other income	3,659,840	—	—	—	—	3,659,840	170,689	182	1,566	—	(253,006)	3,579,271
In-kind services	—	—	—	—	—	—	941,969	931,105	—	—	(1,873,074)	—
Total revenue	126,646,556	(784,632)	—	7,898,420	(8,153,851)	125,606,493	2,817,297	6,411,113	2,422,938	—	(4,703,502)	132,554,339
Expenses:												
Staff compensation, taxes, and benefits	61,658,653	—	—	—	(3,900,113)	57,758,540	—	4,841,592	840,351	488,680	—	63,929,163
Printing, publication, and marketing	8,917,693	—	—	—	—	8,917,693	250,048	431,989	788,352	390	(481,251)	9,907,221
Meeting expenses	2,705,122	—	—	—	—	2,705,122	4,692	95,003	26,548	—	(4,725)	2,826,640
Travel expenses	6,754,087	—	—	—	—	6,754,087	13,209	345,144	62,772	35,755	—	7,210,967
Consulting fees and outside services	15,286,431	—	—	—	—	15,286,431	206,922	270,314	41,066	417,731	—	16,222,464
Professional services	9,142,567	—	—	—	—	9,142,567	27,583	366,532	117,523	9,865	(42,851)	9,621,219
Office expenses	4,984,984	—	—	—	—	4,984,984	22,855	283,877	27,424	1,475	—	5,320,615
Facility and utility expenses	7,303,083	—	—	—	—	7,303,083	—	83,635	113,288	13,547	(141,878)	7,371,675
Grants and awards	2,317,693	—	—	—	—	2,317,693	1,401,175	2,786,504	30,200	—	(34,200)	6,501,372
Grant to ADA Foundation	2,500,000	—	—	—	—	2,500,000	—	—	—	—	(2,500,000)	—
Endorsement expenses	1,531,325	—	—	—	—	1,531,325	—	—	—	—	—	1,531,325
Depreciation and amortization	6,669,042	—	—	—	—	6,669,042	—	210,240	2,339	—	—	6,881,621
Bank and credit card fees	1,452,832	—	—	—	—	1,452,832	27,546	4,368	—	—	—	1,484,746
Other expenses	1,193,719	—	—	—	—	1,193,719	—	56,967	120,870	2,929	(210,155)	1,164,330
In-kind administrative expenses	—	—	—	—	—	—	941,969	931,105	—	—	(1,873,074)	—
Total expenses	132,417,231	—	—	—	(3,900,113)	128,517,118	2,895,999	10,707,270	2,170,733	970,372	(5,288,134)	139,973,358
Net income (loss) from operations before income tax expense	(5,770,675)	(784,632)	—	7,898,420	(4,253,738)	(2,910,625)	(78,702)	(4,296,157)	252,205	(970,372)	584,632	(7,419,019)
Income tax expense	1,033,294	—	—	—	—	1,033,294	2,172	—	66,465	—	—	1,101,931
Net income (loss)	(6,803,969)	(784,632)	—	7,898,420	(4,253,738)	(3,943,919)	(80,874)	(4,296,157)	185,740	(970,372)	584,632	(8,520,950)
Pension—and postretirement health plan—related changes other than net periodic pension cost	(4,267)	—	—	—	452,593	448,326	—	—	—	—	—	448,326
Change in net assets	(6,808,236)	(784,632)	—	7,898,420	(3,801,145)	(3,495,593)	(80,874)	(4,296,157)	185,740	(970,372)	584,632	(8,072,624)
Net assets (deficit) at beginning of year	(937,659)	3,113,915	2,687,448	38,579,764	69,820,170	113,263,638	948,774	26,214,463	3,113,915	—	(2,613,915)	140,926,875
Equity transfers / transactions	(3,006,661)	2,004,294	3,265,633	—	(2,263,266)	—	—	—	—	2,004,294	(2,004,294)	—
Net assets (deficit) at end of year	\$ (10,752,556)	4,333,577	5,953,081	46,478,184	63,755,759	109,768,045	867,900	21,918,306	3,299,655	1,033,922	(4,033,577)	132,854,251

See accompanying independent auditors' report.